or earn foreign exchange through important substitution and exports, and the need for a private investor to be assured of an acceptable return of his investment in relation to investment opportunities outside of India.

Let me cite a specific example, which illustrates more clearly the nature of the dialog prompted by these 10 points. The Government, for example, stressed the need for "creation of employment together with accelerated training and development of Indian personnel," which can be regarded as worthwhile objectives for a developing economy such as India. The business delegation on the other hand, stressed the need for more "adequate staffing by foreign technical experts and managerial talent," over periods long enough to assure optimum efficiency and a continuing contribution of know-how, without which projects might be or become uneconomic. On the basis of restrictive regulations then in force, these objectives appeared to be directly in conflict with each other, but the Conference led to a number of suggestions which could bring these objectives more closely together in actual practice, without either business or Government forgoing any of its basic principles. Similar progress was believed to have been made toward rapprochement among the remaining nine points.

In other words, by exploring the situation a means can be found to bring these closer together. By the end of the conference all agreed, therefore, that a useful dialog between Government and U.S. business had been initiated, and the Conference ended in a note of cautious optimism regarding future opportunities for private investment. Among other things, the Government recognized that foreign economic assistance and export earnings alone were not enough to close the foreign exchange gap, and this was given quantitative expression by Government's reference to its goal of $300 million annually of foreign private investment during the fourth plan period (1966–71)—this $300 million per year figure compares with the goal in the prior plan of $125 million and the actual average of between $60 and $70 million. This represented in effect a fourfold to fivefold increase over the present inflow—representing more than a fourfold increase over net private capital investment during the 3-year period 1961–63.

Upon return to the United States, the business delegation prepared a confidential report to BCIU covering their views on the New Delhi Conference, copies of which were made available to the then Minister of Finance, T. T. Krishnamachari. That report covered in some detail, the business delegations' frankly stated comments on the major deterrents to private investment inherent in the Government's industrial policies, emphasizing that these needed to be overcome promptly by pragmatic solutions and actions leading to mutually acceptable investment conditions. Without that, the needed increase in private capital inflow simply would not materialize and the Government's economic development objectives would not be achieved.

In addition, key representatives of the business delegation (exhibit B, already offered for the record) established themselves as the BCIU India Committee, which now holds monthly private meetings in New York for the purpose of (1) continuing the dialog with visiting Government officials, (2) appraising the trends in India's investment climate since the 1964 New Delhi Conference, and (3) developing
further imaginative ideas on how to facilitate the expansion of private investment in India.

It seemed for a while that BCIU’s message had been understood; namely, that promotion of the 10 business incentives need not be in conflict with India’s industrial objectives, and would, in fact, contribute to India’s overall immediate welfare. Certain improvements did soon take place, such as lowering of the income tax in certain industries, introduction of a letter of intent to shorten the project approval procedure, some price decontrols, and creation of export incentives. Unfortunately, these improvements were wholly overshadowed by a series of unforeseen events.

The deaths of Nehru and Shastri, in rapid succession, continued pressure from Peiping, and especially the Kashmir conflict and the failure of the 1965 monsoon period, all led to a rapid deterioration in the Indian economy, exemplified among other things by a critical foreign exchange crisis and a very sizable rise in food imports. At the same time, much reshuffling of ministerial appointments led to uncertainties regarding future Government policy. Momentarily, at least, the political and other internal problems downgraded the attention being given to the concerns of foreign private investors.

At the same time, the sharply rising defense costs were met in part by very substantial increases in import duties which tended to make uneconomic a number of already approved private industrial projects. In fact, many of these were in midconstruction stage, with increased import duties leading to unforeseen capital overruns and hence financing difficulties as well.

Perhaps a typical case history was the plan under which it was proposed that the Indian Government in partnership with a United States private consortium was to have increased fertilizer production by a million tons per year, which is just double presently installed capacity in all of India. The unfortunate demise of this ambitious plan may be attributed in large part to the failure of both Government and business to find a workable and mutually acceptable solution within the framework of the well-publicized 10 business incentives.

While some encouraging changes in policy have recently been announced favoring fertilizer projects, much still remains to be done to assure adequate private investment in this field. Moreover to promote the atmosphere of investor confidence which the BCIU Conference was designed to create, such policy changes must extend across the board to other industries as well.

Therefore, based on its experience over the past 2 years since the New Delhi Conference, BCIU’s India Committee has concluded that, with accession of Mrs. Ghandi as Prime Minister, the time is again ripe for a renewal of the dialog between top Indian Government and United States business officials to arrive at a better understanding of the role which private investment can play in meeting India’s economic crisis. In addition, the Committee believes that these efforts at understanding and the finding of mutually acceptable solutions should have the continued support and participation of the U.S. Government and particularly those agencies involved in guiding the utilization of economic assistance funds, so that public aid and private investment will utilize an integrated and complementary approach to the economic development of India.

We hope that this résumé of conditions in India today as seen by the India Committee of BCIU, and its dialog approach to the develop-
ment of a favorable private investment climate has been of interest to you. We believe the investment guidelines inherent in this approach are consistent with President Johnson's message on foreign aid, and in line with the excellent recommendations of the Advisory Committee on Private Enterprise in Foreign Aid. Finally, we hope this presentation has been a meaningful expression of what BCIU stands for: truly a Business Council for International Understanding.

Biographic Data of William Holst

Mr. Holst received a B.S. in chemical engineering from the Massachusetts Institute of Technology in 1932. He has been associated with the Esso organization since 1932, and in 1934 he was assigned to a position in Indonesia in Standard-Vacuum Oil Co.'s refinery at Palembang. After 5 years in Indonesia, Mr. Holst returned to the headquarters organization of Standard-Vacuum in New York where in 1946 he became manager of the economic coordination department. In that position he was, among other things, responsible for long-range planning of the company's refining activities and made frequent trips abroad on negotiating missions. Among these was the mission to India in 1951 under the leadership of Mr. C. B. Marshall who negotiated the establishment of the first petroleum refinery in India which is now the Esso refinery at Bombay. In 1957 Mr. Holst attended the advanced management program at the Harvard Business School. In 1959, he became a director of the Standard-Vacuum Oil Co., and upon its reorganization as Esso Standard Eastern in 1962, he became a director and vice president of this affiliate of the Standard Oil Co. (New Jersey).

Mr. Holst was a principal delegate at the BCIU conference in New Delhi in April 1964, and has been an active member of the Standing India Committee of BCIU since that conference.

Mr. Zablocki. Thank you, Mr. Holst and Mr. Meagher. You are members of the Business Council for International Understanding's Committee on India. Are there other committees such as yours that BCIU sponsors?

Mr. Meagher. The BCIU India delegation and the continuing BCIU Committee on India are unique, Mr. Chairman. There have been discussions of several other countries in which a similar approach might be effective, but without specific plans so far. I should point out that it would be counterproductive to organize a delegation to any country unless a careful assessment of political and economic factors reveals that the time is propitious, and unless the required endorsement and preparatory work by United States and host governments can also be fully assured in advance. BCIU does have affiliated binational councils in Mexico and the Dominican Republic, but their activities are of a different character. If you wish, I would be glad to supply brief descriptive material for the record.

(The material referred to is as follows:)

[Excerpt from general report on BCIU]

Dominican Republic—Voluntary U.S. Advisers

After the fall of Trujillo in 1961, the temporary Dominican Council of State found itself in possession of major plants without proper management and technical staffing, and hence a state of seriously crippled production. The situation was so acute that Dominicans with no business experience had to be put in charge of industrial plants. BCIU recognized the plight of this small nearby country and the opportunity for U.S. business to help it in its new independence toward economic health through progressively greater reliance on private initiative. A study of needs for and feasibility of such a project was undertaken with Dominican and United States officials in Santo Domingo and Washington.
George M. Walker, executive vice president of Koppers Co., made the study and then headed a team of 14 voluntary management executives recruited by BCIU from 11 U.S. companies to survey Dominican plants in these industries:

1. Bagasse board
2. Cement
3. Chocolate
4. Flour
5. Glass
6. Paint
7. Paper
8. Sisal
9. Sugar
10. Textiles
11. Arsenal (for conversion to production of farm handtools)

U.S. companies contributing the expert personnel who conducted the surveys on Mr. Walker's BCIU team were, respectively, W. R. Grace, Kaiser-Permanente, General Foods, General Mills, Owens-Illinois, Glidden Paint, Kimberly-Clark, Plymouth Cordage, Pepsi-Cola, and Koppers.

Each survey analyzed management, marketing, production, and various technical problems, and proposed step-by-step solutions in full reports turned over to the Dominican Council of State at its request.

The total service of these volunteers was a precedent-making project for further voluntary executive service to developing countries, a program now being undertaken by the new International Executives Service Corps. BCIU has assisted the IESC since its inception with valuable contacts for program definition, by virtue of the BCIU industry consultation program. It also recruited for IESC an executive to serve as vice president for overseas operations. BCIU stands ready to assist on recruitment and training of volunteers, as IESC policies and specific projects become fully defined.

MEXICO—BCIU'S AFFILIATE, THE "APEI"

BCIU's first affiliate abroad, the Asociacion Pro Entendimiento Internacional, was organized in 1957 by a group of Mexican and American businessmen who decided to utilize their combined resources in efforts to alleviate some of the more obvious social and economic problems in Mexico.

CLUBES JUVENILES RURALES

Agricultural underdevelopment has long been an obstacle to Mexico's balanced economic growth. APEI thus decided as a first priority to mobilize assistance for development of the Clubes Juveniles Rurales—the equivalent of our 4-H Clubs. Working with agencies such as CARE, Heifer project, the National 4-H Club Foundation, APEI has made it possible to inaugurate several hundred rural youth clubs throughout Mexico. Mexican companies and United States affiliates contribute the monetary resources to import livestock for improving cattle and poultry strains; they assure the availability of seeds, fertilizers, and insecticides. Dominican Council of State provides feed for the cattle and poultry. Two full-time agricultural technical advisors work with the clubs helping Mexico's future farmers acquire modern agricultural know-how.

EMPRESAS JUVENILES

With assistance from the U.S. national headquarters of Junior Achievement, APEI established in 1960 a Junior Achievement organization for the first time outside the United States. The junior companies are organized for the duration of the school year, and afford older teenagers an opportunity to experience all phases of running a business. In 1965, APEI expects to have more than 40 companies in operation making such products as tables, lamps, radios, floor wax, and shampoo. One of the advertising agencies in Mexico is planning to sponsor a junior market research company. One American, Ernest Pratt, of the Simmons Mattress Co., who had worked with Empresas Juveniles in Mexico now works in Caracas where he has been instrumental in getting a group of Venezuelan and American businessmen to organize another extension of Junior Achievement. This year the junior companies in Venezuela are producing wall plaques, chairs, ashtrays, first-aid kits, liquid detergents, and battery jumpers.

U.S. TOURS FOR MEXICAN EDUCATORS

Since 1951, APEI has helped to finance extended tours of the United States for groups of Mexican educators. These tours are programmed by John Penery and include visits to universities, public schools, municipal, state, and Federal government offices, industrial plants, labor unions, museums, libraries, cultural
centers, etc. The purpose of these tours is to enable the educators to acquire a realistic experience of American institutions and way of life. In turn, these educators are introducing more balanced material about the United States into teaching materials.

VOCATIONAL TRAINING

In 1964, APEI began its contribution to the growth of vocational training in Mexico. John Penney and a full-time assistant are working with the Assistant Secretary of Education to organize a training program that is bringing 12 professors from UCLA to the Instituto Politecnico in Mexico City.

NUTRICION MEXICANA

APEI is planning a substantial expansion of its program to distribute multi-purpose food principally among undernourished schoolchildren. The program is under the direction of a full-time physician and a nutritionist.

COMPOSITION OF APEI

APEI’s membership of contributing companies numbers 45. As its membership has increased the binational character has been deliberately maintained by insuring the 50-50 ratio of Mexican and American companies. Wilmer Gullette of Cummins de Mexico is president and Luis G. Legarreta of the Banco Nacional de Mexico is honorary president.

SEE APEI IN ACTION

U.S. company executives visiting Mexico are encouraged to visit APEI and to see its programs in action. Address: Londres 25-305, Mexico 6, D.F., Telephone 46-20-89.

Mr. Zablocki. As I stated, your observations and conclusions, although they relate directly to India, are pertinent to the task of promoting private development in other areas of Asia. India is a large and important country in size as it relates to China. Both countries are very large, and of a different philosophical outlook and governmental structure. Therefore, India can be very important as a guide for other countries on the periphery of China wanting to develop viable economies. You have listed for the record the industrial policy objectives for the development of India and the incentives for promoting investor confidence. You have also stated some of its successes. Mr. Holst, for the record, could you tell us some of India’s failures?

Mr. Holst. I think the failures have been very much in the area of the percentage of equity ownership. I think at the very outset when we talked about the fertilizer industry, we all know how very much India needs development of agriculture. Fertilizers are desperately needed. We thought in this one area a solution could be worked out. The sums of money involved were so large that the only way the scale of development could be made forthcoming was to have about six or seven large companies united to bring this program together. It was at that very point that BCIU had its conference and insisted that to get the proper kind of control majority ownership was in fact needed. This majority ownership was not just an ideological affair. It was a fact that more than half of the funds needed to make this development possible at all were in the form of foreign exchange. In addition, there was the “know-how,” as well as the development. However, the insistence on majority ownership was the one question on which the whole thing fell apart. The Indian Government officially insisted that they shall have majority ownership. In something so complex it was felt that it would be a self-defeating thing. Here is
one example of a failure which really rested on that one matter of ownership.

There are other examples of failure which relate to other business incentives. Here, I think the question of import duty retroactively applied to projects which had been visualized as being economic, as a case in point. I won't mention the companies by name, but there are at least two or three projects within the past year which were completely economically viable, which as of the moment are very much in jeopardy, because of this retroactive application of import duty. Here, this is not a change from 5 to 10 percent. This is a change from 15 to 35 percent and in some cases to 65 percent. These are changes so great that no previous estimate of capital expenditure could hold up to this kind of a change. As I say, these are retroactive even though some of the facilities are already under construction. I have cited here only two examples.

Mr. Zablocki. Mr. Holst and Mr. Meagher, on the basis of your experience concerning India, can you advise the subcommittee as to what extent BCIIU's efforts may have aided the attainment of U.S. policy toward one country of Asia?

Mr. Meagher. Mr. Chairman, that, of course, is an extremely difficult question because it implies something much broader than purely private capital development. But if we put it on the private capital development level, I think what it has done is this: For the first time a group of major corporations have come to India and not said, "We want something for ourselves. We want to make large profits. We don't care what effect it will have on you." For the first time a major group of corporations has come and said to India "What is it you people are trying to do here? How are you trying to develop? Is there some way we can fit into this picture? We represent private capital. We have money. We have skills. We have experience. What is it you are trying to do?" We have never tried, and we will try carefully not, to advise India on what it should do. Our whole approach has been: "What is it you are trying to do? These are our comments on it. You may take them or leave them. We feel if you do want private capital, if you do want the experience, if you do want the know-how, we can give it to you." Presenting the problem to the Indians in this manner by not telling them what to do, by not making them defensive, has, I think, opened a real dialog. Naturally, change does not come quickly. Even after the government begins to change its ideas it takes a number of years, as you men know much better than I, for ideas to filter down through a bureaucratic structure, to get the import license man, to get the approval man, to make capital exchange man all coordinated to change their approach. The real thing that has been done, I think, is to open a dialog between India and the people in the United States who can contribute substantially to economic development in India. In that respect, I think, it has aided American foreign policy. Because the positive development of India is in our national interest, not because we will tell India what to do, not because we will control their policies, but because as a healthy, viable economy their own international political situation will be stable and will not create new problems for us to worry about.

Mr. Zablocki. I realize you are members of the India Committee. However, in what other countries in your estimations can similar efforts and programs be initiated or should be initiated?
Mr. Meagher. I think almost any country which has major industrial needs, Brazil—

Mr. Zablocki. Mainland China? We are in Asia now.

Mr. Meagher. Mainland China itself, I think, could learn much from an open dialog between Americans and their own people, most certainly. I don't think that private industrial policy would be particularly welcome there. I think the opening of a dialog on other levels most certainly would be worthwhile. However, this goes beyond the activities of BCIU.

Mr. Zablocki. Does BCIU have under consideration such a program for China?

Mr. Meagher. Not to my knowledge, at this time, sir.

Mr. Holst. Not to my knowledge, Mr. Chairman.

Mr. Zablocki. My time is up, thank you, gentlemen.

Mr. Broomfield. Thank you, Mr. Chairman. I first of all would like to compliment both of you on what I consider to be a very fine presentation on the problems facing India. I have been somewhat aware of this difficult problem. I would like to know whether it is true that there is legislation under consideration which might even further hamper the situation that is presently under consideration in India.

Mr. Meagher. Which particular legislation were you thinking of, sir?

Mr. Broomfield. I understood it was in committee and I am not familiar with details of it but I have been at least apprised of the problems—

Mr. Meagher. For example, the patent laws.

Mr. Broomfield. I think it is.

Mr. Meagher. The new patent law legislation has certainly created potential problems. If you let me put that in context. Drugs, in particular pharmaceuticals, are of great importance to any country which is so poor as India. Therefore the Indians, frustrated at the pricing policies in relation to antibiotics, decided that they would try in some way to eliminate patents in particular fields. This approach to the problem naturally created great consternation in the entire private sector because it appeared that the cure here might be worse than the disease. It was further complicated by the House of Lords decision in the case relative to tetracycline. In that case the British Government, operating under their national health scheme, bought drugs from Italy where there were no patents on the particular goods at a price substantially lower than they would have had to pay if they had come from a source which honored patent rights.

The House of Lords decided in favor of the acts taken by the Government. This happened early last year and it was just at that time when this discussion was going on in India. So that there was great heat and emotion about it. I do believe, however, that there have been conversations directed to working out this problem in a somewhat less drastic manner than by eliminating patents. I think other legislation that you might have in mind might relate to increased import duties, due to the increased defense which resulted from the fighting with Pakistan and China. This is an important issue. If, at this moment, import duties should be increased again, picture the situation. You are going to build a factory. Let us say it will cost $10 million. You go out and commence construction, and you are
halfway finished, having spent $3 million; suddenly a law comes out and says that the goods you are going to import to complete construction will now cost 40 percent more because of new customs duties. You say: "You know I have only raised capital for $10 million. Where will I get another $2.8 million?" They say: "You know we have a war and conditions are bad." One can understand the economic policies. It is not that the Indians are foolish. It is that their needs are great and it is a question of where they can put pressure to satisfy these needs. It is this type of problem with which we are trying to keep abreast and discuss with the Indians to see if there are other alternatives which will be less harmful and will lead to development at a quicker pace.

Mr. Broomfield. This is one of the areas where we probably receive more criticism as a government, because we try to direct some of these foreign efforts in certain directions. I do hope that possibly our hearings will at least get into the right hands in India to know what the Business Committee is thinking in this country. I am not sure you are advocating this, but are you recommending that probably more strings be put on our economic aid to India to bring about—

Mr. Meagher. Mr. Broomfield, there was an interesting article in the January 1966 issue of Foreign Affairs in which there is an important distinction made and one which is important for all of us to recognize. In dealing with foreign governments that are sovereign, we have people who have a strong sense of their own prerogatives. If one says to them: "If you don't do this we will cut off our foreign aid," or something like that, you will obviously get a defensive reaction.

Professor Lindblom, has pointed out in this article what I think is an important distinction; namely, that the United States should be encouraging those things which it thinks are good for India. Not telling them what to do. Let them decide. But if they want to spend our money to do it, then we will look at a range of things and say: "Yes, we will support two, three, and four." They will say: "What about one and five?" We will say: "We don't think they are particularly good and we won't support them." In one case you are employing your money to do what you think is right. In the other case all you are saying to India is, "Do it my way or we won't help you at all." I think the psychological distinction here is important, not only in India but in many countries throughout the world.

Mr. Broomfield. I couldn't agree more on that approach. I think some of our problems have been because we put too many strings on our AID program and tried to direct them in certain areas. I do hope though, for India's sake, they put as one of their top priorities this question of food. Because I think unless they can solve this immediate problem, I don't know what they are going to do in the next few months, frankly, because, even if you get the food over there, the matter of distribution is so vast I question whether they will be able to do it. I wonder, as to one final question—your statements were so complete and comprehensive that I have enjoyed everything you have said—has our Government done anything to impede this foreign investment and your studies?

Mr. Meagher. As I said earlier and before the Watson committee, we feel that although there has been some criticism of the Government in the press, that really our Government has made it possible,
not only for American foreign investment but for any foreign investment to take place in India. If there were not all of those things which our Government has financed and which are so necessary for investment—and if you don’t have roads and electric power, if there aren’t harbors, if you don’t have educated people, if you don’t have hospitals, there can’t be any private investment. The Government has backed institutions like the Industrial Credit and Investment Corporation of India. It has set up training institutes so there would be some skilled and semiskilled labor to work in the factories once the private sector built the factories. Every government and every well-intentioned person sometimes makes mistakes. But to dwell on the mistakes and ignore the major contributions of the Government would, I think, be a disservice. I think in the case of India our AID program has been a positive thing. I think it is a program that we should be proud of, because it has been a positive contribution to India.

Mr. Broomfield. Thank you very much.

Mr. Zablocki. Mr. Murphy.

Mr. Murphy. Thank you, Mr. Chairman.

I want to commend you, gentlemen, on your presentation today. I also want to commend the Council on the work they have done in this study. It is a very difficult and complex problem. I feel that it is so important that it will be necessary for the subcommittee to spend a great deal of time studying your presentation. It is in the right direction. I believe your study on India may be used as a guideline in other areas of the world. Would it be proper that members of the subcommittee, after studying your presentation, direct questions to the Council for clarification on certain points? This is a very technical subject. I, for one, would like to devote a great deal of time to it.

Mr. Holst. By all means. I think that would be a most welcome suggestion.

Mr. Murphy. Thank you, sir.

Mr. Zablocki. I failed to say that the witnesses will have an opportunity to correct the record and expand on their statements—within reason.

I would like to pursue a point my colleague, Mr. Broomfield, raised concerning cooperation by our Government. How closely does the BIEU coordinate with AID, for example? Do you pass on to the U.S. Government agencies your observations concerning India’s attitude on private investments, for example?

Mr. Holst. We are in very close touch with a variety of branches of the U.S. Government and it certainly includes AID. And it includes the Department of Commerce. Wherever we develop some new idea that we think might be worth sounding out we will get in touch with the appropriate office because they have a much broader experience, of course, on the worldwide basis or whether something like that would fit in with U.S. foreign policy. We can only suggest the mechanical implementation of an idea directed toward the Indian problem sometimes conflicts with other things that the AID program might have. I think the cooperation has been extremely good on this score. One of our suggestions today was to continue with that kind of support in a complementary and integrated sense.
Mr. Zablocki. At times U.S. Government assistance, whether it is economic, military or both, when given to neighboring countries gets the United States into difficulty. For example, U.S. military aid to Pakistan and India. Does BCIU have any such problems? How do you avoid them? For example, does BCIU also have a program in Pakistan?

Mr. Meagher. At this time, sir, there is not to my knowledge a program. The reason India was chosen first is because it is a large country. There was more existing interest and it seemed this was a good country in which to try out this approach as a pilot project. I would think, however, that Pakistan would be excellent as a country in which to try this type of dialog. It is a country where development was extremely good up to last summer. Agriculture has been increasing at a very high rate, about 3 percent per annum. Industry has also been improving very rapidly. I think that this type of dialog probably would work very well in a country like Pakistan. I think it would probably work very well in Thailand, Malaysia, Singapore, the Philippines, Taiwan, Japan, Korea, to name the countries in the region with which we are dealing. Working in a number of countries permits the sharing of experiences in one country with other countries. For example, this past summer while traveling to gather information for my courses at the university I visited Taiwan. I was impressed with what I saw. Subsequently, while meeting with a group of Indian officials, I suggested that they could learn a great deal by sending senior officials out to Taiwan for 3 months to observe their approach for attracting capital. They said, "What do you think we should do?"

I said, "I will not tell you what to do because no matter what I tell you to do you will be arguing against me. I can tell you what the problems are but you will have to find out your own solution."

Mr. Zablocki. I suppose you inadvertently omitted Indonesia.

Mr. Meagher. Excuse me. It is only that from 1959 until recently the situation has been so erratic. We might say that some of the members of BCIU are also sensitive about Indonesia because they have substantial investments in that country.

Mr. Zablocki. If you should have a program in Pakistan and a program in India at the same time do you see where there might be a conflict; and that BCIU may find itself in an embarrassing position just as our Government sometimes does?

Mr. Meagher. There are obvious places where conflict might arise. For example, if you are picking a regional area in which to build a particular type of industrial plant, and India wants such a plant and Pakistan wants such a plant——

Mr. Zablocki. A hemp plant.

Mr. Meagher. Yes, that would be an example.

Mr. Zablocki. How would BCIU handle such a situation?

Mr. Meagher. I think the particular company would have to discuss the problem internally. Then there would be approaches made to both governments. In this respect I think at times the unofficial individual has a greater freedom to speak to the two governments provided he doesn't try to play one government off against the other. The approach would probably be to explore with each government why a particular industry might be better suited there or perhaps in some cases why there should be a plant in both countries. These are
Mr. Murphy. The chairman spoke about the hemp. I think it would be more proper to use the term jute.

Mr. Meagher. I recognized he was really speaking of jute.

Mr. Murphy. I would call your attention to East Pakistan. Jute was grown in eastern Bengal but the jute plants are located in western Bengal. If aid is given to Pakistan to build some jute plants in competition with the existing jute plants in India it will create a problem.

Mr. Meagher. That problem actually arose a number of years ago. As you know, Pakistan produces 90 percent of the jute that is exported in the world. The major jute plants were in the Calcutta area of west Bengal. The Indians decided because of their limited amount of jute that they should increase jute production even though there was a glut on the world markets for jute. India did this because it did not want to be dependent on getting its jute from Pakistan. At the same time the Pakistanis as early as 1953 built a large mill. This created a lot of tension at the time. But this was not a problem which affected the United States directly but tended more to affect other countries who were more involved in the jute industry. At that time it was not a major problem for us, except in one context, which was that if the price of jute rose a little bit the Americans and others in the private sector had said that they would use paper bags rather than jute bags and thus put the whole industry out of business. These were threats made in the early 1950's and at that time a great impetus was given to a jute research organization to see if they could develop other uses for jute. As a result, it worked out a number of fabrics and began to make dresses and different types of curtains out of jute and so on. It stimulated a great deal of innovative thinking.

These are problems that arise between two countries. We could try, of course, to act as conciliators. We would hope not to get caught in between. But anyone who puts his feet on two ships going in different directions is bound at one time or another to fall in.

Mr. Zablocki. Thank you, Mr. Meagher.

Mr. McDowell. Mr. Chairman, I will reserve the right to ask any questions at this point. I was not here at the time of the testimony.

Mr. Zablocki. I want to thank the gentleman for the fine presentation. Just a week ago today I addressed the CIPM, the Council for International Progress and Management, which is a somewhat similar organization to the BCIU. The discussions there could have been extracts from your testimony.

Thank you, gentlemen.

The subcommittee will hear Mr. Bronson P. Clark.

Mr. Clark is speaking on behalf of the American Friends Service Committee and the Friends Committee on National Legislation.

STATEMENT OF BRONSON P. CLARK ON BEHALF OF THE AMERICAN FRIENDS SERVICE COMMITTEE AND THE FRIENDS COMMITTEE ON NATIONAL LEGISLATION

Mr. Clark. My name is Bronson P. Clark of 158 Elm Street, Oberlin, Ohio. I am vice president of Guilford Instrument Laboratories, Inc., manufacturers of scientific instruments for the medical and biological sciences.
I testify today on behalf of the American Friends Service Committee, on whose national board I serve, an organization of Quaker orientation well known for its 50 years of humanitarian service; and also on behalf of the Friends Committee on National Legislation, a legislative organization which strives to translate religious concerns into social and political action. While these organizations are representative of views held by many Friends, neither purports to speak for all Friends since the organization of the Society of Friends does not lend itself to official spokesmen.

We deeply appreciate this invitation to appear before your committee.

I have served with the American Friends Service Committee in the Middle East and Far East, having lived 21 years in China during the Chinese civil war and the establishment of her present Government. I have been a student of Far Eastern affairs ever since. I am one of the authors of "Peace in Vietnam: A New Approach in Southeast Asia." This is a booklet prepared for the American Friends Service Committee and will shortly be published by Hill & Wang as a sequel to "A New China Policy" published by Yale University Press in 1965.

Our present confrontation with China is not of recent origin. I recall a long conversation with Mao Tse-tung in 1946 when he questioned me sharply about our military aid to Chiang Kai-shek. He stated that such aid was prolonging the civil war and was thereby causing unnecessary death and destruction on top of all they had experienced at the hands of the Japanese during World War II.

It was true that the American Air Force flew Chiang's troops from western China, where they had been driven by the Japanese, to the eastern cities of Shanghai, Tientsin, and Peiping to prevent the troops of Mao from occupying them first.

We established "MAGIC" whose letters stood for "Military Advisory Group in China" to equip and train Nationalist troops in the civil war. We cannot be surprised, therefore, that our relations to China's new Government got off to a poor start when they finally achieved victory on the mainland.

Relations were given further setbacks by our assumption that communism was monolithic, and we extended our European containment policy during the Korean war to the Far East where we believed China's moves to be directed by Moscow. China became subject to economic blockade by the U.S. 7th Fleet and to direct military confrontation as our troops approached the Yalu River. Her intervention in the Korean war at this point may have been unexpected to our military leaders, but it was not unexpected to those who recognized that China was in a period of intense nationalism.

In 1958 our Secretary of State, John Foster Dulles, said:

The United States holds the view that Communist rule in China is not permanent, and that one day it will pass. By withholding recognition from Peiping, it seeks to hasten that passing.

This view has continued to prevail, even down to our successful effort in 1965 to block Peiping's seat in the U.N.

It is my view that much of China's present verbal abuse, and her abrasive nationalism is directly related to our economic, and now growing military pressure on her principally through the war in Vietnam. U Thant stated in a recent interview, as reported in the New York Times of January 21, 1966:
* * * any lasting settlement (of the war in Vietnam) must have the support of China. U Thant [made] a strong plea for understanding Communist China in its present phase. When a country has been treated as an outcast, outlaw, and culprit, the Secretary General commented, it is apt to act in a certain strange way, showing strong reactions, rigidity, and even certain arrogance.

When a country is obsessed with fear and suspicion [U Thant added] all sorts of unreasonable reactions are likely to come forth.

Even in spite of the pressures on her she can properly claim that no Chinese troops are fighting outside of China. She holds the view that she has not committed “aggression” anywhere.

Korea, we have already mentioned, was a military response to what she regarded as a threat to her frontier—a position not unlike our attitude toward Cuba and the Dominican Republic. The second charge of aggression concerns Tibet. Even Chiang Kai-shek holds the view that Tibet is historically Chinese. The military conflict with India was a limited action taken for the purpose of forcing a settlement of a frontier as she has done by signed agreement with Afghanistan, Pakistan, Nepal, Burma, and Outer Mongolia. While in the case of Tibet and India we condemn the use of military power by China to force solution of such disputes, we cannot have a double standard and ignore our own use of the military as an alternative to strengthening the fabric of international law.

The recent speech of Lin Piao, China’s Defense Minister, while speaking in unmistakably revolutionary terms, is careful to point out that China holds that revolution should not be exported. He says:

Of course every revolution in a country stems from the demands of its own people. Only when a people in a country are awakened, mobilized, organized, and armed, can they overthrow the reactionary rule of imperialism and its lackeys through struggle; their role cannot be replaced or taken over by any people from outside. In this sense, revolution cannot be imported.

There is, however, indication that while the Chinese consider themselves faithful Marxist-Leninists, their policies in actual practice have been shaped much more by immediate national concerns. Chinese attitudes toward their neighbors vary with specific circumstances. Pakistan and Thailand are both members of SEATO, but with Pakistan China maintains friendly relations, while Thailand, being actively involved in American military ventures, is regarded as hostile. The Chinese have taken a neutral stand toward countries on their border who have remained aloof from American military efforts. This has been done even to the disadvantage of dissident left wing groups such as exist within Burma and Nepal.

My point here is that like Communists of the Soviet Union, the Chinese are prepared to modify a hard doctrinaire line to satisfy what they regard as their nationalist interest. The implication for American foreign policy is that we are not up against a “godless communism” so much as we are up against a nation whose wounded pride and sensitive nationalism offers an opportunity for congressional action along the following lines:

1. Help bring China into the family of nations by withdrawing our opposition to its membership in the U.N. and regarding the possibility of a seat next fall as an opportunity to aid in trans-
forming China into a responsible great power. U.N. membership for China would also facilitate discussions on nuclear disarmament.

2. Recognize the mainland government and establish trade and diplomatic exchange. Such action would facilitate people-to-people exchange, improve knowledge and understanding, and above all, improve communication. Lifting the present embargo on nonstrategic goods could be done unilaterally tomorrow by simple administrative action. We are already encouraging such trade with the Communist countries of Eastern Europe.

3. Deescalate our military pressure on her, including a halt to the arming of her neighbors as we have done with India and Pakistan. We should also prevail on the Nationalist Chinese to cease their military overflights.

4. Prepare for negotiations on problems of mutual interest, and indicate our willingness to join in joint projects of economic development.

5. The people of Taiwan should be polled as to the kind of government and allegiance they prefer. A possibility would be an independent Taiwan with a seat in the U.N. General Assembly, and its security supported by international guarantees. In return, the Chinese People's Republic would obtain the military dismantling of Quemoy and Matsu and an end to guerrilla activity, propaganda, and trade interdiction that Nationalist occupation of the offshore islands at present make possible.

A fellow businessman, the president of Massey-Harris-Ferguson and former Canadian World War II Deputy Minister of Defense, has this to say on the completion of a recent 14,000-mile journey through mainland China:

The question, "Is communism working in China?" I find difficult to answer objectively because of my own deep conviction that communism is an outdated and unsuccessful approach to any nation's problems.

But it would be grossly unfair if one did not acknowledge the contribution which the able men who are leading China today have made toward its stability, its growth, and its stature. The chaotic conditions which existed in China in 1949, to which the Japanese invasion and the Communists themselves contributed a major share, required the imperative of a strong, ruthless, and authoritarian government. No form of democratic government, as we understand it in the West, could have coped with the situation that confronted China in 1949.

Whether some other grouping of parties, or some other leader could have provided the type of government required in that great emergency is a matter of conjecture. The fact remains that the Communists did provide one and did so with eminent success. They brought not only an end to civil strife, but national unity of purpose, a sense of national accomplishment, and an honest, if implacable government, which appealed to a people weary of the hardships, confusion, and tyranny of civil war, and who had never experienced freedom as we understand it in the West.

In conclusion, let me emphasize again that nationalism continues to be the driving force in Asia as underdeveloped nations strive for independence and economic viability after years of Western colonial interference and feudal backwardness. Let our great country not fall into the Marxist stereotype of the "white imperialist power." We cannot correct 20 years of error all at once, but as the American
Friends Service Committee report, published by Yale University and titled "A New China Policy," concludes:

A policy based on hostility and force has brought neither security nor stability. Instead it has heightened the common peril. When communication is resumed between China and the United States, when negotiating machinery is available, and when America is willing to abandon nonrecognition and ostracism of China in favor of an attempt at resolving differences by methods short of war, we may expect the Chinese response to be more constructive than we have had any right to expect during the past 15 years of unrelieved mutual hostility. Even though solid results would remain uncertain and improvements would come only slowly and with difficulty, a policy based on achieving mutually beneficial goals is a more promising approach to security in east Asia than we have yet tried.

As the Chinese saying has it: "A journey of a thousand miles begins with a single step." Let us take a few of those first steps. Thank you.

(The biography of Mr. Clark follows:)

BIOGRAPHY OF BRONSON P. CLARK

Currently vice president of Gilford Instrument Laboratories, Inc., a firm developing and manufacturing scientific instrumentation for the medical and biological sciences. He graduated from Antioch College in economics in 1941.

In 1945 and 1946 he served in China with the Friends ambulance unit who were engaged in a program of medical and technical assistance to the civilian hospitals of western China. During this time he negotiated the start of a Quaker service program in Communist controlled areas of China, and held interviews with Mao Tse-tung, and other leaders of the Chinese Government.

For 5 years he was associated with the American Friends Service Committee on their national staff. He served first on the Far East desk and then on the Middle East desks during the time that the American Friends Service Committee operated a refugee program under United Nations direction in the Gaza Strip, immediately following the era of the Arab-Israeli war.

A 10-year stint in business from 1950 to 1960 was followed by 2 years service, 1961-62, as director of the American Friends Service Committee's refugee program and community development program in western Algeria. He worked in North Africa during the final year of the Algerian war and the first year of Algerian independence.

He has been a member of the board of directors of the American Friends Service Committee since 1964. He is one of the authors of "Peace in Vietnam: A New Approach In Southeast Asia" currently being published by Quadrangle Books.

(The following memorandum has been supplied by the Friends Committee on National Legislation for inclusion in the record:)

The Friends Committee on National Legislation is composed of Friends who feel a special concern for the political aspects of life conducted according to the tenets of Christian love and justice. It does not claim to speak for all Friends, since Friends cherish the right to their individual opinions.

The policy of the Friends Committee on National Legislation is set every 2 years by a general committee composed of about 190 Friends appointed by 20 of the 26 Friends yearly meetings and 10 Friends organizations. For at least 10 years the general committee has supported changes in United States-Chinese policy along the following lines:

"Important next steps. — The United States can help the United Nations gain experience and function more successfully by:

* * * * * * * * * * *

(6) Seeking an overall political settlement in the Far East which will help insure the presence of a peaceful China as a member of the family of nations.
The cooperation of a nation numbering one-fourth of the inhabitants of the globe is as vital to the establishment of an inspection system and to other steps toward disarmament as it is to the solution of the problems of refugees and of opium control.

"The United States should support the representation of the People's Republic of China in the U.N. and should seek to establish normal diplomatic relations and to resume trade and travel. Such action does not imply approval of their regime any more than it has implied approval of the policies of, for example, the Soviet Union, Spain, or the Union of South Africa. But it recognizes that to achieve peace in east Asia there must be political settlements. Such settlements require negotiation, and successful negotiation requires a framework for continued consultation by the United Nations which can provide such a framework and forum.

"Any change in our China policy must recognize the right of self-determination for the residents of Taiwan, including safeguards for all minorities. A solution for the future status of Taiwan, the Pescadores, and the offshore islands should be sought within the framework of the United Nations. The representatives of Taiwan might have representation in the General Assembly. The present organization of the Security Council may have to be modified in view of the greatly enlarged membership of the United Nations * * *

The above statement was incorporated without dissent in the 1965-66 statement of legislative policy of the FCNL. Since earlier statements on Chinese relations had occasioned some debate, this indicates the degree to which the FCNL General Committee is united on the need for a new look at United States-China policy.

The American Friends Service Committee.—"A New China Policy: Some Quaker Proposals" originated in a concern for improvement of Chinese-American relations. Accordingly, in 1964, the board of directors of the AFSC authorized the preparation of a report addressed to the solution of problems affecting Sino-American relations and began recruitment of a suitable working party on China policy, its labors to begin September 1964. As finally assembled, the working party of 16 included the following:

Lewis H. Hoskins, convener
Eugene Boardman
Hugh Borton
Kenneth Boulding
Robert Cory
William Hanson
Timothy Haworth
Hallack Hoffman

Michael Ingerman
J. Stuart Innerst
Stewart Meacham
Rhoda Murphey
Esther Rhodes
Benjamin Seaver
Dorothy Gilbert Thorne
Jackson H. Bailey

Six of these sixteen were scholars and teachers, five in the field of east Asian affairs. Three had served in the Friends ambulance unit in China during and after World War II. There were three AFSC staff members charged with peace education. The party also included an English teacher, a former missionary to China, a lawyer, a salesman, and a former principal of the Friends School in Tokyo. All are members of the Society of Friends.

The American Friends Service Committee since World War I has been active in promoting peace between people of different races, nations, and ideologies. Its 11 regional offices in the United States and its overseas centers in Paris, Geneva, New Delhi, and Tokyo continually carry forth the concern for peace.

The AFSC has the moral support of individuals from all branches of American Quakerism. Its financial support comes from the contributions of individual Friends and of monthly and yearly meetings of the society as well as from a wide range of outside contributors. The AFSC, like other Quaker organizations, cannot claim to speak officially for Friends on any subject. Such authority is never delegated by Friends to anybody. It does represent, though, much of the social thought and concern of American Quaker leaders.

Mr. Zablocki. Thank you, Mr. Clark.

At the outset, let me say it is not my purpose as chairman, nor is it the purpose of the subcommittee, to try to knock down arguments of the witnesses who come before us. Also, questions by the members are not meant to indicate that we agree with or disagree with the point being made by the witness. I want to thank you for your presentation. I gather from it, Mr. Clark, you apparently do not view the Communist takeover of Tibet as aggression because Tibet
was historically a part of China. As you know, there are a number of other areas in Asia all or part of which were once in the Chinese empire. Mao has expressed his intention to reunite these areas to China. As I interpret your remarks such efforts would not be considered aggressive. Is that the case? I am specifically referring to the bottom of page 2, the second paragraph, where you speak of Tibet.

Mr. Clark. Mr. Chairman, I think the proposition is stated that one of the reasons that we have enormous military pressure in the Far East is a fear that China is a new kind of aggressive monster. My argument about Tibet is that Tibet is not an independent and sovereign nation as far as the Chinese are concerned. If you take the proposition that Tibet represents China unleashing an attack as is often argued that Hitler attacked, say, some country like France, there is no historic claim there in Europe. This is a case where, if people use the argument that Tibet proves China's aggressiveness, I think, historically, they cannot sustain it. In other words, there is agreement among Nationalist and Communist Chinese that Tibet is under Chinese sovereignty.

Mr. Zablocki. Let me try to clarify in my mind your position. The Chinese have indicated on several occasions that the States of Bhutan and Sikkim were parts of ancient China and should be integrated with Tibet. Do you think we should sit by and watch them swallowed up by Communist China?

Mr. Clark. I don't think that military pressure on China and the embargo and the blockades will lessen that. It might even stimulate it.

Mr. Zablocki. Is it not true that by assisting India militarily to defend its borders in 1962, we probably deterred China from taking these other areas on the border?

Mr. Clark. There is considerable dispute about where that border should be. I am not here as an expert on where the border ought to be. I am merely taking a proposition that this is an area in which the basic foreign policy, as we understand it from studying China's actions, is that she is attempting to reestablish boundaries that existed prior to the time her government was under Western influence, when she lost her customs and ability to control her frontiers. She is trying to establish old 18th- and 19th-century frontiers. I don't think that can be used as an argument that China is on the loose and India is next and all the other southeast Asian countries will follow. There is no evidence of that, so far.

Mr. Zablocki. There could be a question whether Tibet historically belongs to China, because India had a strong influence in Tibet until 1950.

Mr. Clark. There is disagreement about Tibet's sovereignty. I am trying to maintain the proposition that from China's point of view she does not regard her action in Tibet as aggression. I state that as a different proposition from country A taking over country B over which there is no dispute.

Mr. Zablocki. On page 2 of your statement you quote Lin Piao's statement concerning the export of revolutions. This appears to be inconsistent with the facts. It has been repeatedly indicated by the leaders of Red China that it fully supports the National Liberation Front efforts in Vietnam. Certainly Communist China has repeatedly
demonstrated that it, in fact, does have intentions of expanding its influence in Asia through force. Therefore, to say that China holds that revolution should not be exported, through quoting Lin Piao, is not in keeping with the true facts. For example, your quote of Lin Piao says, in the second sentence, “Only when a people in a country are awakened, mobilized, organized, and armed, can they overthrow the reactionary rule of imperialism and its lackeys through struggle.” But who armed them? Organized them? Who mobilized them, and who awakened them? In the case of Vietnam it was Hanoi and Peking.

Mr. Murphy. Would you yield before you ask the question? As a member of the African Subcommittee, I would like to have the witness answer just exactly what China did in Africa, especially around Brazzaville and the Congo, and several other countries in Africa.

Mr. Clark. Mr. Murphy, and Mr. Chairman, I have no doubt in my mind that the Chinese are in a phase of their revolutionary struggle where they are intensely nationalistic and intensely doctrinaire with respect to their communism. I have no doubt about that. The question is, In a situation in which you have a confrontation, and you might say a cold war which is getting hotter, what proposition do we suggest? Do we propose to have countermeasure for countermeasure, or wouldn’t it be more sensible to bring China into the U.N. and begin a dialog with her on some of these questions of borders and begin to get the fabric of international law working with her. I am not here as an apologist for the nationalist abrasiveness of China. In the statement I point out that I condemn China’s military venture in Tibet. I would far rather she use international law, as I wish the United States would. I feel the United States should have used international law in its dealings in Santo Domingo. I don’t apologize for what China has done. I say, where do we go from here? If we go on a collision course with China, a course we have held for 20 years, we should not be amazed and surprised at China’s hostility. I watched our friendship with China go sour. That was hard to see. I am trying to propose, sir, that we alter this collision course, not defend the wrongs that China has done. Let’s change the pattern.

Mr. Zablocki. Mr. Clark, before my time expires, I want to ask you, are they exporting communism or not?

Mr. Clark. I agree they are apparently giving military aid to Vietnam, and they may be giving military aid elsewhere. They gave military aid in the case of Korea. I don’t deny that. The question—

Mr. Zablocki. China is exporting communism, therefore, Lin Piao’s statement, which you quoted, is inconsistent with their action.

Mr. Clark. He makes the point it is no use basically to export revolution to a country that isn’t ready for it. In that sense you open up the whole situation in southeast Asia, in which you say that if you have nations which primarily are nationalistic, you don’t have to worry so much about communism as a doctrinaire problem. I take the proposition—in southeast Asia even more so than in Eastern Europe, where the satellites are drifting away from the Soviet Union—you have built into southeast Asia much more intense and varied nationalisms than existed in Eastern Europe.

In these countries, if we take the military pressure off, Lin Piao may have more difficulty than you realize. I am sure you gentlemen
know about the hostility between many of those countries. Thailand and Cambodia can't get along. The North Vietnamese and the Chinese have, historically, had difficulty. If you take the military pressure off and bring China into the family of nations and let the world community work on her, these nationalist countries will take care of themselves.

Burma is a good example. Burma has no military aid from the United States. U Thant has stated they don't want any. There is a direct relationship between military aid given and the rise of communism.

Mr. Zablocki. I take it you are agreeing that they are exporting communism, contrary to whatever Lin Piao may have said.

Mr. Clark. When you say "exporting communism," the best defense against communism of any sort is for these countries to get on their feet. They are nationally inclined. They are sensitive to the Chinese intervention. As an example of the problem, if the American Government continues to increase military aid to Thailand you will have more communism in Thailand. There is a direct relation between military aid and communism springing into existence.

I think military aid—

Mr. Zablocki. I would like to pursue that a little later because I think it was the reverse in Thailand where our military aid followed the aggressive, stepped-up subversion by the North Vietnamese and Peiping in the northeast provinces. I had an opportunity with the study mission last fall to visit that area.

Mr. Whalley.

Mr. Whalley. Thank you, Mr. Chairman.

Mr. Clark, are you in favor of Communist China's entry into the United Nations?

Mr. Clark. Yes.

Mr. Whalley. Are you in favor of U.S. trade with Red China?

Mr. Clark. Yes.

Mr. Whalley. How many people in the United States do you think feel as you do? Would you have any idea?

Mr. Clark. I have no poll I can pull out of my pocket. No, I don't.

Mr. Whalley. Do you know of any groups?

Mr. Clark. There are many groups. The gentlemen testifying before me were testifying to the ability of business—you know there are 100 nations that have trade relations with China; 50 recognize her diplomatically. It is an exception in the family of nations not to trade with her.

Mr. Whalley. Do you think Red China would recognize an independent Taiwan?

Mr. Clark. Taiwan is a complicated issue. She might be able to make an exchange, such as I have suggested here on my point 5, in which Taiwan remains a separate and independent power in exchange for certain demilitarization of Quemoy and Matsu and retaining of her seat.

I don't know if she would accept that. A lot of time has gone by. The confrontation is more desperate.

Mr. Whalley. It is claimed that if Quemoy and Matsu were not armed or fortified, Red China would take over Taiwan or Formosa quickly.

Mr. Clark. I think they would.
Mr. Whalley. What is the point then of saying if Taiwan would dismantle its fortifications in Matsu and Quemoy they could get along with Red China?

Mr. Clark. What I was suggesting is that Taiwan was possible of solution. There could be a dialog started. If Taiwan is a major block in China's admittance to the U.N., let's begin to get a discussion on the subject going, which to date we have not done. We have exacerbated the situation by permitting Nationalist China to threaten military action against the Chinese mainland.

I am not advocating any one solution to Taiwan. I say let's have a discussion on Taiwan if that is a block to China's admission to the U.N.

Mr. Whalley. Some of the nations that have opposed China's admittance into the U.N. say China must stop her aggression and then they would give her consideration.

Which comes first in your consideration?

Mr. Clark. There are two points of view. You admit peoples in the United Nations that you like and no one else, or you admit everybody so you rub elbows and begin to go to work on them. I take the latter viewpoint. If you look at the list of agencies that mainland China, if admitted to the U.N. would be a part of, they cover a whole page. The Commission on Narcotic Drugs, World Health Organization, etc. Let's get some fresh air into the doctrinaire corridors of China's thinking.

I am not here to defend doctrinaire thinking. I am opposed to it. I say let's bring China in and begin to go to work on her. She feels isolated and cut off. She has a very weird notion of us. It might do her good to have a few representatives in New York in which she would learn something from us.

Mr. Whalley. Thank you, Mr. Chairman.

Mr. Zablocki. Mr. McDowell.

Mr. McDowell. Thank you, Mr. Chairman.

Mr. Clark. There are many of your recommendations here that I think are most interesting. Particularly those contained in your last paragraph have been suggested here in other testimony of witnesses before this committee in these hearings.

I would be interested to know whether in your statement from the "New China Policy," the first two sentences—

A policy based on hostility and force has brought neither security nor stability. Instead it has heightened the common peril.

Do you feel that this is a policy that can be applied to China and that this should be an international concept of the treatment of any country who find themselves in conflict with their neighbors or other countries? Do you feel this is the type of a policy that could have been applied for instance to Hitler and Mussolini during that period? Is this comparable?

Mr. Clark. Mr. McDowell. I like to think of the phrase that President Kennedy used: "Mankind must finish with war or war will finish mankind." It isn't so much of a question of permitting war, or acquiescing with communism. The question is, What do you do about these things?

If we don't apply every last scrap of international understanding and lean on every feeble reed of international law, if we don't
strengthen these things, if we constantly circumvent them and act unilaterally, we undermine the very things that, in the long run, will save us.

That is one-half of the answer. It is a matter of degree. Something horrible is happening to our country in the amount of a brutalization of what we will put up with. We should be horrified really at what is happening in Asia, this enormous confrontation without our earlier having gone to the U.N. What a pity to go to the U.N. almost 12 years late. It makes you sad.

We should have been there with this problem much earlier. I say, strengthen the positive part of this.

The second half is that communism, in my opinion, in Asia cannot be compared to Hitlerism. Communism in Asia is a far different thing than Hitlerism. The Communists have provided a viable, economic order. There is a book called “The Anatomy of Revolution,” by Crane Brittin, which takes the point of view that revolutions come of age, and modify their earlier doctrinaire point of view. The Soviet Union is in a period of growing affluence and is beginning to respond to the world community a little more than in the early days of her revolution.

I think Communist China will go through the same evolution. She is more interested in her own problems, in solving her own affairs, than in just being doctrinaire in her Marxism. She will fail to support leftwing groups if she feels it is in her own nationalist interest, as she has done in Burma.

Mr. McDowell. I don’t disagree with you in your evaluation of Russia’s communism today. I would point out on the other hand that had this country not taken a firm stand in Western Europe to contain or to stop the overflow of Europe by the Russians then, who had their divisions poised on the line of march into Western Europe, that the situation might have been entirely different today in that part of Europe.

I don’t disagree with you that we should use every experience we have had in the past. But it would seem to me that experience has taught us that to advocate or to adopt the recommendations which you are suggesting has not brought peace in the world or to any part of the world where we are directly confronted with this kind of situation—aggression and force.

I think from the words at least—I don’t take all of the words—but at least as you listen to the words today from Moscow, I don’t know that they are any softer than they were 20 years ago. The action policies may be a little better today and hopefully for tomorrow.

Mr. CLARK. Let me take the case of Hungary, if I may, in answering your question. When Soviet Russia crushed the Hungarian revolution there were those who advocated American military intervention. America did not intervene militarily. We did a lot of other things.

As the years have gone by, is there any one of us here that wouldn’t agree that Eastern Europe and Europe are now in better shape than they would have been if the United States had made a nuclear confrontation with the Soviet Union? Is there anyone here who wouldn’t agree with that?

Mr. McDowell. I agree with you today, yes. But I am not so sure that this policy then could be applied that easily to any other situation as it arises, because I think it might have been possible then,
with some encouragement by the United States and Western Powers, to have brought about a revolution throughout all the satellite countries which might have possibly resulted in their independence, or near independence.

Mr. Clark. I don't feel much like arguing or discussing extremes. In other words, it isn't a question of extremes, Mr. McDowell. It is a question of the drift of affairs. If this subcommittee wants to recommend a new program of people-to-people exchange, that is a step. That is the kind of thing I am talking about.

If you and I want to have a good discussion on philosophy, we ought to get together at some hour between 5 and 6 and relax. The thing is there should be very practical steps before this subcommittee. We are on a frightful collision course and have been for 20 years. What do you propose to do, as my representatives, to head this thing off?

The human race is in jeopardy. What do we propose? Perhaps Martin Luther King has something to say about how to deal with Hitler. That is gone, in the past.

Right now we have a problem of a China not in the U.N., China cut off from any of us, China reading everything from only her point of view, totally isolated.

We had better bring her into the family of nations. You can go to the University of Montreal and have a professor from the University of Peiping talk to you, but no American university can have a Chinese professor here. I can't exhibit anything in Peiping, but we are exhibiting in Moscow. And if I went to Peiping, I would argue points you would agree with.

We need small steps. Let the big ones follow.

Mr. Murphy. Thank you.

I want to interject a question relative to your statement on Eastern Europe. I was in Hungary in 1964. You are speaking of the present condition of that particular state. The condition today is predicated on 16,000 Russian troops patrolling that country. I don't believe we can judge Hungary today in that capacity.

Mr. Zablocki. Proceed, Mr. Murphy.

Mr. Murphy. That was not a question but a statement.

First of all, Mr. Clark, I want to commend your organization, the Society of Friends. I have talked to many of your members. I have read your book on the "New Policy for China" with a great deal of interest.

I want to commend you people in that you are working and trying to work toward peace in behalf of mankind. I am also, and this committee is trying to do likewise. We have many problems. I read your statement and listened to you with great interest, but I can't understand certain things.

This committee went through a study on the Soviet-Sino dispute last year. We found out different points that were not in agreement. One of the major differences was when Mr. Khrushchev had asked for peaceful coexistence and peaceful transition to communism, Mao could not agree to this transition. China today is carrying out an aggressive policy.

The one thing that is in common between Russia and China, and all the Communist world, is world domination. We all know that.

Coming back to Africa. In 1961 the Russians withdrew from Africa at the time they withdrew from southeast Asia. I called the Subcom-
mittee on Africa's attention to Chinese interests in East Africa. We saw what happened in the Congo. We also saw it recently in three African nations where the government was overthrown because of Red Chinese influence. I do not believe that the Communists are going to change their general policy for world domination.

European nations have forced treaties upon China in the past. So I can understand Chinese resentment—also, their nationalism. The United States, if you recall during the Boxer Rebellion could not protect the Chinese indefinitely, but we did establish a new college. We were praised on that action. It improved the relationship between China and the United States because many students came to the United States.

Still we made the mistake on the closed-door policy with regard to immigration. I believe that was the beginning of hostile thought and action against the United States. Our support of Nationalist China and Taiwan is the major hate of the Chinese Communists toward the United States because we are the party standing behind Chiang Kai-shek and Nationalist China on that island.

Today the Chinese are teaching hate of Americans to the school children. I believe we have made mistakes, but I don't think we can accept everything and say that everything is going to work out if you do this or that.

Red China has never asked to join the U.N. have they?

Mr. Clark. She did some years ago.

Mr. Murphy. Witnesses who have testified before the subcommittee have stated that they did not know whether or not Red China would accept membership.

Mr. Clark. Might I comment on that?

Mr. Zablocki. Please.

Mr. Clark. I agree with most of your analysis on why the Chinese are sensitive to us. I think that is a very good statement. It shows a very good background on this.

I wish most people had that background. Psychologists talk about a death wish. If we continue to act as if China is going somewhere in an aggressive way, a big way, and we make very overt military response to her verbalism and she seems to be stronger on verbalism than going anywhere because there are no Chinese fighting at present in any other country—

Mr. Murphy. They had other people fighting for them.

Mr. Clark. If the United States takes the initiative, in other words, if we go 14,000 miles with an enormous military establishment, we shouldn't be surprised if there would be a counterresponse to that. I don't think you are surprised at that.

I think that as Americans we are sensitive about military influences around our frontiers. The Chinese are very sensitive about their frontiers. I don't feel the need to apologize for any verbal abuse of us. I am advocating getting to know these people. There is a very dangerous void of ignorance between us. We don't exchange newspapermen. We don't exchange viewpoints. It is a matter of degree. There is much of what you say that I agree with in the past.
Mr. ZABLOCKI. Thank you, Mr. Murphy.

Mr. Clark, we too are opposed to doctrinaire thinking. I wish it were only possible that through contacts and dialog that China could see us through eyes other than its own.

In earlier years China and the U.S.S.R. had dialogs and cooperation but now we find China turning on its former ally and friend—why do you think that China would take such a position against the U.S.S.R.? I see no concrete evidence that Red China has any desire for dialog with us.

Mr. Clark. I would like to answer that in two parts. First we are not, as you say, just having a dialog. Our actions are more than a dialog.

The 7th Fleet, the position of blockading China, our military expansion in the Far East, these are positive acts on our part. In other words, I am not talking about just a dialog.

I am also talking about the United States taking some alternate positive measures. If we don't take such measures, the dialog won't do any good. There has to be some beginning to de-escalating the war. If you just try to talk in that situation, you will find yourself in a dilemma. That is the first part I would like to say.

A dialog without corrective action is just hot air. The second, on the Soviet Union and China; I was one who used to question the doctrinaire Communists in China and tweak them by saying “You are getting along so well with the Russians, how about the Russian dismantling of equipment in Manchuria and taking it back to the Soviet Union?”

This was an effort to open up their minds so that we would have some discussion other than their just mouthing Marxist-Leninist responses. They were sensitive to that question.

However, it is surprising how nations on Tuesday, by Wednesday can be either friend or foe. I would say that the Soviet Union at some point has a terrible decision to make. If the Soviet Union comes to the conclusion that China, even in spite of all the difficulties she has with her, is engaged in a nuclear confrontation or military confrontation with the United States, what will the Soviet Union's response be?

I don't think I am competent to answer what her response would be.

Mr. Murphy. Do they not have a defense alliance?

Mr. Clark. I think you are hinting at what I am worrying about.

Mr. Murphy. They do have.

Mr. Clark. The question put to me was about China and the Soviet Union being hostile. I am saying that because of our continual military pressure—$12.8 billion, more and more American men and more American airfields—at some point the Soviet Union has a terrible decision to make, which is what her response to this will be.

Right at the moment she is trying to get this war settled down and has been working on China as you well know. I think that while they are not getting along today, if the Soviet Union concludes the American hawks are not being held in check by cooler minds, then you have a very, very dangerous situation for the human race.

Mr. ZABLOCKI. I hope, Mr. Clark, you don't mean to imply everyone in the U.S. Government at the highest civilian and military levels are hawks.
Mr. Murphy. Mr. Clark, I understand that at the present time a letter is being circulated to top party leaders of Russia preparing them for a statement of policy that will be made at the next Red Congress to be held in March, to the effect there will be an absolute open break with China.

Mr. Clark. I wouldn't count on it for too long if the American military program continues in the Far East the way it has.

Mr. Zablocki. It is understandable that Red China may be irritated because of our military establishments on the periphery of that country, but our military positions were not actions but reactions to the military posture and aggression on the part of Red China.

However, we do welcome your suggestions, sir, that we should take little steps. We did recently take a small step, when the executive branch changed our policy concerning travel to North Korea, Cuba, and Red China. It was Communist China that scoffed. It was China who was vitriolic in its response and said it wanted none of us.

What additional steps should we take if they do not respond to the steps that we do take? All we got for the President's repeated offer to negotiate peace in the case of Vietnam were charges that it was a hoax.

I know you are sincere in your belief that if Red China is admitted to the United Nations it would somehow behave in a more responsible manner. Do you believe the United States should assist China's entry into the United Nations since the Chinese leaders have indicated their unwillingness to join the United Nations unless rather broad changes are made in the structure of that organization? Do you think the Chinese will even accept an invitation under present conditions, or do you think the rest of the world should alter the United Nations in order to please Peiping? If we should make the changes they demand what kind of organization would we have? What would we end up with?

Mr. Clark. Earlier I think I was asked whether China took the position she would accept membership. At one time she was very active in attempting to get membership. Certainly in the past few years she has not been——

Mr. Zablocki. What were the conditions under which she would accept—that Nationalist China be expelled?

Mr. Clark. I couldn't say.

Mr. Zablocki. Nationalist China be expelled, that she be given the seat in the Security Council, and there were one or two others which at the moment I can't remember.

Mr. Clark. One of her main conditions was that Nationalist China has to go, which is a problem. I would say you are delineating some of the dilemmas of negotiating with China. The thing is it is a matter of degree.

I am not sure that even the offers of trade and exchange would be accepted. Even if the United States said "We are ready for diplomatic recognition," we might get turned down on that. I think China is in a period of intense isolation and antagonism toward us.

If the military people have trouble in Vietnam and agony day after day and things don't go right, how much more difficult it is to take peaceful actions. They go wrong sometimes.
We have such an enormous gulf between us. It is a question of getting a dialog started. You may get defeated your first eight times around. I think the gravity of the situation behooves us to keep trying.

I think regarding your reference to Vietnam, I don't want us to divert ourselves from the principal subject here. It is one thing to advocate peace, in whatever area, but if most of your actions deny what you say, then your verbal statements are weakened.

It is impossible to build and burn a house at the same time. It is difficult on the one hand to be building something positive when you are burning a structure.

In a sense our military posture is so overpowering in this whole equation that it is going to take a lot of steps before we can get a dialog going. I think it is a matter of degree.

Mr. Zablocki. In your statement you quote the president of Massey-Harris Ferguson. In this quote there seems to be an implied justification for the many brutal acts that the Communist Government of China committed in 1949 in its effort to take over the country. This brutality, as I understand the quote, would be permissible under the cloak of nationalism. I certainly do not think it can be condoned on the grounds that no democratic government could have coped with the situation in China in 1949. After all India has faced many of the same difficulties as China. Yet India has managed to maintain its democratic institutions. Very briefly, Mr. Clark, could you state why India, facing the same kind of problem, has remained responsible while China has not?

Mr. Clark. What I am interested in is not necessarily passing judgment in the sense of why China does one thing and India another, as to maintain a relationship to each one, so that we are sympathetic to their problems and ready to assist them.

If they are exercising brutality internally, personally, I am opposed to that. But it is a question of trying to understand why it came about. I am not here to excuse that any more than the president of Massey-Harris-Ferguson did. It is a question of understanding them, how they got where they are. The future of India is a question mark. We hope that as many as possible of the democratic fibers of that country can be strengthened; the more the better. I don't think there is any question about that. In some ways, referring to the fact that India is firmer and we have that relationship with her and not with China, it is bad that we don't have a similar relationship with China because we blame her for her past acts. Let's not turn to the past. We have enough troubles in front of us. Let's forget all that and take a few positive steps.

Mr. Zablocki. Mr. Murphy referred to the fact that the Communist Chinese Government is teaching its people implacable hatred of the United States and our way of life. As to the future, do you think all of this will change if we begin to treat Peiping differently?

Mr. Clark. I have a feeling that as the years go by, if we deescalate our military pressure and as revolution is older and some of the problems of agriculture and industry are resolved, as China comes more into the family of nations, the chance that the human race can stay on the same planet with one-fifth of our brothers over there is better, better than the policy now pursued which leads to a collision course with China on a military basis. In other words, right now the
move is a drift leading to the result that it won't be long before this implacable hatred that you talk about will begin to poison us. People who speak with a different point of view will be regarded as odd or something.

Mr. Zablocki. I cannot disagree with you that we appear to be on a collision course that we should avoid if possible. But I cannot foresee, even if we work toward an understanding of China, that the Communist regime in China will suddenly be distributing Valentines full of love to Uncle Sam.

Mr. Clark. Without positive acts I agree with you. They feel our pressure enormously. I don't know whether it is proper for the witness to ask the chairman a question but I would like to ask you sir: Putting yourself in their position with our military forces on their frontier, our military surveillance of their country from the air, and our enormous buildup in Asia, what do you feel is going through their minds? What do they think?

Mr. Zablocki. I hope the same thing is going through the Communist Chinese minds that went through the minds of the Communists in Soviet Russia during the Cuban confrontation. I want to point out again that, basically, the only reason our Military Establishment is in Asia is in response to aggression and the threats of aggression by Communist China.

Mr. Clark. Can I ask a second question then: Do you feel, sir, that there is a difference between communism, as you mention the problem in Greece and in Europe? Is there a difference in the communism as you see it that operates in Europe as against what is happening in Asia?

Mr. Zablocki. Basically not. I think both Soviet communism in Europe and communism in Red China are determined to communize the world. The difference is in the method. The Soviets have apparently been pursuing a policy of competition rather than overt aggression. This is, in part, a cause of the split between the U.S.S.R. and Red China because China still maintains the only way to communize the world is by militant revolutionary actions, which it supports. That is why I asked you the question earlier about China exporting communism by force.

Mr. Murphy. Mr. Clark, in your testimony today and speaking in behalf of the Society of Friends, you are speaking of a change in U.S. policy. Let's reverse it and let's consider China as changing her policy. My question is this, and it is one for my own personal information. You have been in China. You have met with Mao Tse-tung. Who do you believe will succeed Mr. Mao Tse-tung?

Mr. Clark. Perhaps Liu Shao-chi, who is the chief theoretician of the Communist Party.

Mr. Murphy. I raised that question in every country I visited. Only in one case did I hear mention the name of Chou En-lai. My point is, today the ruling class of China are the men of the Long March, in a particular age group. They have the experience. One of the factors the world faces is what kind of a government will China have upon the death or inability of Mao Tse-tung to lead the nation. From the information I received, it is believed a new generation will rule. But no one could tell me whether or not it would be a change as to more aggressive action or more pacific. Thank you anyway. I want to get your viewpoint.
Mr. Clark. I would like to comment, Mr. Chairman, on your statement which was a reply to two questions from me. I was trying to get your point of view on this. I would like to make one comment on this which fits in with Mr. Murphy's position. In my opinion if you take steps toward China which, in effect, are ahead of her aggression on the ground that she may be aggressive—I am not talking about minimum supplies of arms or that kind of thing, I am talking about major military aggression which is what seems to be in the minds of those who speak about world domination—that is a lot different. If the United States takes action in their backyard, very positive action, in a large military way, you get what the psychologists call a self-fulfilling prophecy. You create the condition you are trying to cure. There is no evidence at this point, other than these instances I talked about with which in many ways you agree, that China is going anywhere. She is not fighting outside her borders. In her military aid to her friends, and to some countries toward which she is neutral or hostile, she takes a variety of positions toward a variety of countries. Take the question of her world domination. If we ourselves begin to treat other nations like Vietnam and Thailand and Cambodia, if we begin to suck them into what may happen some day down the road with China, we will tend to create the very thing we abhor most, which is a large military commitment by China.

Mr. Zablocki. You did not answer Mr. Murphy's question as to whether you believe the new generation of leaders in Red China will be more responsible and less aggressive. Also, perhaps another good question would be, Do you think the present regime or a new regime in Red China would use the nuclear bomb?

Mr. Clark. You mean Mr. Murphy was trying to help me out and I didn't recognize it. I don't know. If this book, "The Anatomy of Revolution," is to be believed the next generation down tends to be less doctrinaire.

Mr. Zablocki. Would the new regime be less doctrinaire, and would a new regime of a more moderate type use the bomb?

Mr. Clark. I again say that the second-generation regime of any revolution seems to be more adaptable, less doctrinaire. I would hope that might be the case. I am not sure that is pertinent for us to wait for somebody to drop dead. It is more important to get a dialog while we are alive now or we will all be dead.

Mr. Zablocki. Thank you very much, Mr. Clark.

Mr. Clark. Thank you, Mr. Chairman, and Mr. Murphy. I appreciate your questions.

Mr. Zablocki. The subcommittee stands adjourned subject to the call of the Chair.

(Whereupon, at 4:22 p.m., the subcommittee was adjourned to reconvene at the call of the Chair.)
COMMITTEE ON FOREIGN AFFAIRS
THOMAS E. MORGAN, Pennsylvania, Chairman
OMAR BURLESON, Texas
EDNA F. KELLY, New York
WAYNE L. HAYS, Ohio
ARMISTEAD J. SELDEN, Jr., Alabama
BARRATT O'BARA, Illinois
L. H. FOUNTAIN, North Carolina
DANTE B. FASCELL, Florida
LÉONARD FARRSTEIN, New York
CHARLES C. DIGGS, Jr., Michigan
LINDLEY BECKWORTH, Texas
HARRIS B. MCDOWELL, Jr., Delaware
WILLIAM T. MURPHY, Illinois
ROBERT N. C. NIX, Pennsylvania
JOHN S. MONAGAN, Connecticut
DONALD M. FRASER, Minnesota
RONALD BROOKS CAMERON, California
BENJAMIN S. RORENSTEAL, New York
EDWARD H. ROYBAL, California
JOHN C. CULVER, Iowa
LEE H. HAMILTON, Indiana
ROY H. MOVICKER, Colorado
FRANCES P. BOLTON, Ohio
E. ROSS ADAIR, Indiana
WILLIAM S. MAILLIARD, California
PETER H. B. FREELINGHUYSEN, New Jersey
WILLIAM S. BROOMEFIELD, Michigan
J. IRVING WHALLEY, Pennsylvania
H. R. GROSS, Iowa
E. Y. BERRY, South Dakota
EDWARD J. DERWIN, Illinois
F. BRADFORD MORSE, Massachusetts
VERNON W. THOMSON, Wisconsin
JAMES G. FULTON, Pennsylvania

SUBCOMMITTEE ON THE FAR EAST AND THE PACIFIC
CLEMENT J. ZABLOCKI, Wisconsin, Chairman
HARRIS B. MCDOWELL, Jr., Delaware
CORNELIUS E. GALLAGHER, New Jersey
RONALD BROOKS CAMERON, California
WILLIAM T. MURPHY, Illinois
LEE H. HAMILTON, Indiana
FRANCES P. BOLTON, Ohio
E. ROSS ADAIR, Indiana
WILLIAM S. MAILLIARD, California
PETER H. B. FREELINGHUYSEN, New Jersey
WILLIAM S. BROOMEFIELD, Michigan
J. IRVING WHALLEY, Pennsylvania
H. R. GROSS, Iowa
E. Y. BERRY, South Dakota
EDWARD J. DERWIN, Illinois
F. BRADFORD MORSE, Massachusetts
VERNON W. THOMSON, Wisconsin

*Includes India, Pakistan, and Afghanistan.
CONTENTS

LIST OF WITNESSES

Tuesday, February 15, 1966:
- Luce, Maj. Gen. Thomas A., U.S. Army (retired) ................................................................. 269
- Pan, Dr. Stephen C. Y., director, East Asian Research Bureau, New York City, N.Y. .................. 241
- Possany, P.: Stefan T., the Hoover Institution on War, Revolution, and Peace, Stanford University ................................................................. 231
- Rowe, Dr. David N., Department of Political Science, Yale University ........................................ 225

Wednesday, February 16, 1966:
- De Jaegher, Rev. Raymond J., former regent, Institute of Far Eastern Studies, Seton Hall University, East Orange, N.J. ........................................ 301
- Duncan, James S., former Deputy Minister of Defense for Air, Ottawa, Canada .......................... 356
- Lyons, Rev. Daniel, S. J., author and journalist, New York City, N.Y. ................................. 309
- Roper, Miss Myra, former president, University Women's College, Melbourne, Australia .......... 354
- Taylor, Charles, member, editorial board, the Globe & Mail, Toronto, Canada ......................... 367

Tuesday, March 8, 1966:
- Hornbeck, Hon. Stanley K., former Director, Office of Far Eastern Affairs, Department of State .......... 404
- Robertson, Hon. Walter S., former Assistant Secretary of State for Far Eastern Affairs .......... 397

Wednesday, March 9, 1966:
- Bingham, Hon. Jonathan B., a Representative in Congress from the State of New York ............ 477
- Michael, Dr. Franz, Institute for Sino-Soviet Studies, George Washington University ............. 467
- Notestein, Dr. Frank W., president,Population Council .......................................................... 430
- Rockefeller, John D., III, chairman, Population Council ......................................................... 417

Thursday, March 10, 1966:
- Henderson, William, manager, International Government Relations, Socony Mobil Oil Co., Inc ................................................................. 405
- Young, Hon. Kenneth T., Jr., president, the Asia Society .......................................................... 485

Wednesday, March 16, 1966:
- Rusk, Hon. Dean, Secretary of State .............................................................................................. 523

Thursday, March 17, 1966:
- Bundy, Hon. William P., Assistant Secretary of State for Far Eastern Affairs .......................... 535
- Jacobson, Harold, Director, Office of Asian Communist Affairs, Department of State ............... 549
## IV CONTENTS

**STATEMENTS AND MEMORANDUMS SUBMITTED FOR THE RECORD**

<table>
<thead>
<tr>
<th>Biography of—</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>De Jaegher, Rev. Raymond J.</td>
<td>363</td>
</tr>
<tr>
<td>Duncan, James S.</td>
<td>265</td>
</tr>
<tr>
<td>Henderson, William</td>
<td>495</td>
</tr>
<tr>
<td>Hornbeck, Hon. Stanley K.</td>
<td>407</td>
</tr>
<tr>
<td>Lane, Maj. Gen. Thomas A</td>
<td>262</td>
</tr>
<tr>
<td>Lyons, Rev. Daniel</td>
<td>336</td>
</tr>
<tr>
<td>Michael, Dr. Franz</td>
<td>471</td>
</tr>
<tr>
<td>Notestein, Dr. Frank W.</td>
<td>466</td>
</tr>
<tr>
<td>Pan, Dr. Stephen C. Y</td>
<td>235</td>
</tr>
<tr>
<td>Possony, Dr. Stefan T.</td>
<td>241</td>
</tr>
<tr>
<td>Robertson, Hon. Walter S.</td>
<td>403</td>
</tr>
<tr>
<td>Rockefeller, John D. III</td>
<td>450</td>
</tr>
<tr>
<td>Roper, Miss Myra</td>
<td>356</td>
</tr>
<tr>
<td>Rowe, Dr. David N.</td>
<td>227</td>
</tr>
<tr>
<td>Taylor, Charles</td>
<td>369</td>
</tr>
<tr>
<td>Young, Hon. Kenneth T. Jr.</td>
<td>495</td>
</tr>
</tbody>
</table>

- **Statement submitted by Adm. Arleigh Burke on Vietnam** 351-353
- **Article by James S. Duncan, formerly Deputy Minister of Defense for Air, Ottawa, Canada, entitled “Red China’s Economic Development Since 1949”** 361-366
- **Abstract from article by Miss Myra Roper, former president, University Women’s College, Melbourne, Australia, entitled “Social Attitudes of Students in the New China”** 378-379
- **Memorandum of the Committee of One Million Against the Admission of Communist China to the United Nations** 431-445
- **Text of address by Hon. William P. Bundy, Assistant Secretary of State for Far Eastern Affairs, made before the Associated Students of Pomona College, Pomona, Calif., February 12, entitled “The United States and Communist China”** 535
- **Statement submitted by Mrs. Anna Chennault, president, General Claire Lee Chennault Foundation, on situation in Asia** 563
- **Letter from Dr. Edward Teller, University of California, to Hon. Clement J. Zablocki, expressing views concerning Chinese nuclear potentialities** 571
- **Resolution adopted by the General Board of Christian Social Concerns of the Methodist Church, on China and the United Nations** 573
- **Statement of Hon. Dean Rusk, Secretary of State, before the Senate Foreign Relations Committee, on request for supplemental appropriation of funds for South Vietnam** 574
UNITED STATES POLICY TOWARD ASIA

TUESDAY, FEBRUARY 15, 1966

HOUSE OF REPRESENTATIVES,
COMMITTEE ON FOREIGN AFFAIRS,
SUBCOMMITTEE ON THE FAR EAST AND THE PACIFIC,
Washington, D.C.

The subcommittee met at 2:10 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.

The hearing today is a continuation of the public hearings on U.S. policy toward Asia being conducted by the subcommittee. Through these hearings, we hope to obtain information from independent non-Government sources as well as Government sources on Asia as a whole, on its current problems and future trends, as well as the views of our knowledgeable private citizens on our own national policies aimed at that area.

We have with us today Dr. David N. Rowe, Department of Political Science, Yale University; Dr. Stefan T. Possony, the Hoover Institution on War, Revolution and Peace, Stanford University; Maj. Gen. Thomas A. Lane, U.S. Army (retired); and Dr. Stephen C. Y. Pan, director, East Asian Research Bureau, New York.

Summary statements submitted by the witnesses are before the members. Each witness will make a short oral statement of his views.

We will begin with Dr. Rowe. You may proceed, sir.

STATEMENT OF DR. DAVID N. ROWE, DEPARTMENT OF POLITICAL SCIENCE, YALE UNIVERSITY

Dr. Rowe. Thank you, sir, Mr. Chairman, members of the committee.

Ladies and gentlemen, as you have seen from my summary statement my main interest is to try to put the question of China policy into a perspective of our more general interests in east Asia and the western Pacific. I feel very strongly that today we seem to be so much engrossed with the problems of Communist China—a natural engrossment, I may say, in view of its threat to us and the free world—that we may perhaps tend to forget that our policy in respect to Communist China must be and should be at least heavily a reaction from our interests in respect to other areas of Asia.

For example, in recent weeks before another body of the Congress of the United States observations have been made having to do with our policy in respect to Vietnam which have put a very heavy em-
phasis on the impact of that policy on the opinion of the United States held by the people of Japan.

I consider these views to be largely erroneous, the views that indicate that our policy in Vietnam is received by the Japanese people generally in a hostile way. My feeling, from a very long acquaintance with Japanese questions I may say, dating back to the period of my childhood in east Asia, is that the Japanese above all are people who respect power and determination. They will not be so much alarmed by American policy in Vietnam that takes off from a position of power and intends to seek a solution based upon the imposition of our power upon people that we are in opposition to, the Japanese will not react against that so much as they will react in dismay and in a feeling of fear from any indication that our policy in respect to Communist China and the people of Communist North Vietnam would be a policy of indecision, a policy of refusal to face up to the problems there and to meet our responsibilities there in a positive way.

The Japanese had a demonstration in World War II of the tremendous power in action of the United States. They have never forgotten this. They know full well what our capabilities are. They know it as few people in the United States do, because they have felt our power directly.

But what might conceivably alarm the Japanese people very intensely and shake the degree of their friendly relations with us and of their resolve against being taken into the other camp, would be a conviction on their part that we were unwilling to use the power that they know we have.

This is indeed where I think the critical feature of American attitudes and policies in respect to China, Communist China, lies, in that the question, as all Asians know, is not a question of our capability to deal with those features of Communist China which are hostile to us, and most of them are, but of our willingness to use our capabilities. It is here where the policy of the U.S. Government during the past 12 months and a little over in South Vietnam has achieved the "beginnings"—and I use that word advisedly—of a genuine shift in the attitudes of the peoples around the periphery of the Western Pacific toward the United States. Because up to 13 months or so ago, and I have frequent contact in those areas, I travel there quite often—up to that period of 13 months or so ago the opinion was growing in such areas as, for example, the Philippines, very predisposed to us, fundamentally very friendly to us, that the United States was in a gradual but nevertheless steady condition of retreat from the meeting head-on of the responsibilities that we have since undertaken to meet for the defense of freedom and independence in the small and weak countries of eastern Asia against the threat and the specter of Chinese Communist takeover.

I cite, for example, my comparative experience in the Philippines over a 5-year period, where in 1961 it was quite easily discernible in the spring that the Government and people were united in a resolution to send troops, if need be, to fight in Laos, if indeed the fight there was necessary, and more recent experiences in the Philippines where having watched from that vantage point in the Philippines the refusal of the United States to pick up the challenge of Communist China in southeast Asia, the willingness and the resolution of the Philippine
people and their government to participate in the protection of independence in that area was being rapidly and steadily eroded.

This kind of situation has at least been brought to a halt. Today in the Philippines I think the trend is in the other direction, but it is not a strong trend. It is a trend that has been implemented by the events only of the last year or a little bit more.

Therefore, it has not a very long life. But it is a trend that had to fight against the trend of the 4 previous years, when from an Asian point of view all the evidence seemed to indicate that the United States was not prepared to pick up the challenge of Communist aggression, whether direct or indirect in southeast Asia, and to implement there the traditional policy of the United States in east Asia, which is a policy of defending as best we can and with whatever we have available, the independence, the right of self-determination of Asian nations, a policy, an honorable policy that has been a bipartisan policy over the last century in Asia.

It has not been a steady policy, it has not always been evenly pursued, but it has been honored more times than it has been dishonored, but for 4 years before 1965 it seemed to be in the process of abandonment. Therefore, as I say, the U.S. policy toward Communist China has to be determined not only on the basis of our analysis of China itself intrinsically as a thing in itself, but also from the point of view of what our aims and ideals are in conjunction with the aims and ideals of Asian peoples on the periphery of the Western Pacific.

We lost the opportunity to support those ideals in China when China went under communism in 1948-49. I cannot here at this point, in the time I have, go into the history of that; but having lost that opportunity on the mainland of China, we must not and cannot lose it in the peripheral areas of the Western Pacific, Japan, Korea, Taiwan, the Philippines, Vietnam, southeast Asia in general, including, of course, Thailand, and going, of course, on over into the Indian Ocean area, the Indian subcontinent.

I think in general this is about the message I want to get over. So far as particulars are concerned, I will make myself available for questions in detail.

As to the recommendations as to China policy itself, I have tendered these in my summary abstract of my opening statement. The preservation of the bipartisan policy of nonintercourse and non-admission of Red China to the United Nations, I think, must be maintained and sustained as a cardinal point of U.S. Asian policy.

I cannot see any reason for a change in this, and, in fact, I see every reason why the policy of nonintercourse, nonrecognition, nonadmission of Red China to the United Nations should be strengthened and sustained as a main feature of American foreign policy today.

I will stop there, Mr. Chairman. As I say, I will hold myself open to questions in detail as time goes on in this session.

Mr. Zablocki. Thank you, Dr. Rowe.

(The biography of Dr. Rowe follows:)

Biography of Dr. David N. Rowe

Born in Nanking, China, October 21, 1905. With brief exceptions resided in central China until July 1922. Traveled in Pacific area, China, Korea, Japan, Philippines, Hong Kong, Vietnam, Cambodia, Laos, Thailand, Burma, Malaya, Indonesia, India, Pakistan, Nepal, Ceylon, and Afghanistan. Also in Middle and Near East, Africa, South America, Western Europe.
EDUCATION, DEGREES, AWARDS

Princeton University, 1923-27, A.B., political science, 1927. Specialized in international law and relations.

University of Chicago, 1928-31; A.M. in history, 1930.

University of Southern California, 1928-31; A.M. in history, 1930.


Harvard University, 1935-37; postdoctoral study. Studied the Chinese and Japanese languages, Chinese history and historiography.


In Peiping, 1937-38, independent study and research in Chinese language and history.


POSITIONS HELD

Assistant in instruction, University of Southern California, department of history, 1929-31. Taught American constitutional history.

Research assistant, Social Science Research Committee, University of Chicago, 1931-33. Carried on research in American local history.

Fellow in history, University of Chicago, 1933-34; Henry Milton Wolf fellow, 1933-34; university fellow, 1934-35.

Instructor in American history, University of Chicago, extension division, summer 1935.

General Education Board fellow in humanities, Harvard University, 1935-37, for the study of Far Eastern languages and history.

Rockefeller Foundation fellow, Peiping, China, for the study of Chinese language and history, 1937-38.

Lecturer in Far Eastern affairs, School of Public and International Affairs, Princeton University, 1938-43. Taught Chinese language, social and political institutions of eastern Asia, American foreign policy and international relations.


Research analyst, Special Defense Unit, Department of Justice, U.S. Government, Washington, D.C., summer and fall, 1941.

Special Assistant to the Director, Branch of Research and Analysis, Office of the Coordinator of Information (later Office of Strategic Services), U.S. Government, November 1941 to July 1942. In this capacity, was sent to China by the Far Eastern section of this organization, between November 1941 and May 1942, as special research technician. While in Chungking, held appointment as special assistant to the Ambassador, American Embassy, Chungking.


Research associate, Institute of International Studies, Yale University, 1943-51, and research associate, Department of Foreign Area Studies, 1943-45. Rank of assistant professor, 1945-44; associate professor, 1945-50.

Member, War and Peace Studies Project, Council on Foreign Relations, New York, November 1943-September 1945.

Associate in Government, Barnard College, Columbia University, 1945-46.

At various times during 1945, lecturer for training divisions of Bureau of Naval Personnel, Office of War Information, United Nations Relief and Rehabilitation Administration.


Director, Staff Officers School for Asiatic Studies, Yale University, 1945-46.

Director, Undergraduate and Graduate Studies, Division of Foreign Area Studies, Yale University, 1946-48. Director of graduate studies on east Asia, 1949-51.


Associate director, Princeton University Bicentennial Conference on Chinese Culture and Society, April 1947.

Visiting professor of political science, University of Michigan, summer 1947.
Postwar fellow in humanities, Rockefeller Foundation, for study and travel in Far East, 1948-49.
Lieutenant colonel, USAR, 1949-59; colonel, 1959-64.
Member, Committee on the Far East, American Political Science Association, 1950-51; chairman, Subcommittee on Training of Political Scientists for Teaching and Research on the Far East.
Lecturer at the Air War College, 1951.
Consultant, Department of Business and Industrial Economics, Stanford Research Institute, 1951.
Consultant to the Chief of Psychological Warfare, Department of the Army, 1954.
Director, Study of Human Resources (a Government-sponsored research project), Yale University, 1954-56.
Representative, the Asia Foundation, Republic of China (in Taiwan), 1954-56.
Visiting professor of political science, National Taiwan University, 1954-56.
Vice chairman, Taiwan Committee, China Institute in America, 1964-66.
Member, Board of Directors, Ginling College, Taipei, Taiwan, 1955-56.
Member, Advisory Board, Aid Refugee Chinese Intellectuals, Inc. (ARCI), 1955-56.
Ford Foundation rotating research professor of political science, Yale, 1958-1960.
Lecturer, Defense Intelligence School, 1959-61.
Consultant to the Chief of Psychological Warfare, Department of the Army, 1954.
Director, Study of Human Resources (a Government-sponsored research project), Yale University, 1954-56.
Representative, the Asia Foundation, Republic of China (in Taiwan), 1954-56.
Visiting professor of political science, National Taiwan University, 1954-56.
Vice chairman, Taiwan Committee, China Institute in America, 1964-66.
Member, Board of Directors, Ginling College, Taipei, Taiwan, 1955-56.
Member, Advisory Board, Aid Refugee Chinese Intellectuals, Inc. (ARCI), 1955-56.
Ford Foundation rotating research professor of political science, Yale, 1958-1960.
Lecturer, Defense Intelligence School, 1959-61.
Consultant to the Chief of Psychological Warfare, Department of the Army, 1954.
Director, Study of Human Resources (a Government-sponsored research project), Yale University, 1954-56.
Representative, the Asia Foundation, Republic of China (in Taiwan), 1954-56.
Visiting professor of political science, National Taiwan University, 1954-56.
Vice chairman, Taiwan Committee, China Institute in America, 1964-66.
Member, Board of Directors, Ginling College, Taipei, Taiwan, 1955-56.
Member, Advisory Board, Aid Refugee Chinese Intellectuals, Inc. (ARCI), 1955-56.
Ford Foundation rotating research professor of political science, Yale, 1958-1960.
Lecturer, Defense Intelligence School, 1959-61.
Consultant to the Chief of Psychological Warfare, Department of the Army, 1954.
Director, Study of Human Resources (a Government-sponsored research project), Yale University, 1954-56.
Representative, the Asia Foundation, Republic of China (in Taiwan), 1954-56.
Visiting professor of political science, National Taiwan University, 1954-56.
Vice chairman, Taiwan Committee, China Institute in America, 1964-66.
Member, Board of Directors, Ginling College, Taipei, Taiwan, 1955-56.
Member, Advisory Board, Aid Refugee Chinese Intellectuals, Inc. (ARCI), 1955-56.
Ford Foundation rotating research professor of political science, Yale, 1958-1960.
Lecturer, Defense Intelligence School, 1959-61.
Consultant to the Chief of Psychological Warfare, Department of the Army, 1954.
Director, Study of Human Resources (a Government-sponsored research project), Yale University, 1954-56.
Representative, the Asia Foundation, Republic of China (in Taiwan), 1954-56.
Visiting professor of political science, National Taiwan University, 1954-56.
Vice chairman, Taiwan Committee, China Institute in America, 1964-66.
Member, Board of Directors, Ginling College, Taipei, Taiwan, 1955-56.
Member, Advisory Board, Aid Refugee Chinese Intellectuals, Inc. (ARCI), 1955-56.
Ford Foundation rotating research professor of political science, Yale, 1958-1960.
Lecturer, Defense Intelligence School, 1959-61.
Consultant to the Chief of Psychological Warfare, Department of the Army, 1954.
Director, Study of Human Resources (a Government-sponsored research project), Yale University, 1954-56.
Representative, the Asia Foundation, Republic of China (in Taiwan), 1954-56.
Visiting professor of political science, National Taiwan University, 1954-56.
Vice chairman, Taiwan Committee, China Institute in America, 1964-66.
Member, Board of Directors, Ginling College, Taipei, Taiwan, 1955-56.
Member, Advisory Board, Aid Refugee Chinese Intellectuals, Inc. (ARCI), 1955-56.
Ford Foundation rotating research professor of political science, Yale, 1958-1960.
Lecturer, Defense Intelligence School, 1959-61.
Consultant to the Chief of Psychological Warfare, Department of the Army, 1954.
Director, Study of Human Resources (a Government-sponsored research project), Yale University, 1954-56.
Representative, the Asia Foundation, Republic of China (in Taiwan), 1954-56.
Visiting professor of political science, National Taiwan University, 1954-56.
Vice chairman, Taiwan Committee, China Institute in America, 1964-66.
Member, Board of Directors, Ginling College, Taipei, Taiwan, 1955-56.
Member, Advisory Board, Aid Refugee Chinese Intellectuals, Inc. (ARCI), 1955-56.
Ford Foundation rotating research professor of political science, Yale, 1958-1960.
Lecturer, Defense Intelligence School, 1959-61.
Consultant to the Chief of Psychological Warfare, Department of the Army, 1954.
Director, Study of Human Resources (a Government-sponsored research project), Yale University, 1954-56.
Representative, the Asia Foundation, Republic of China (in Taiwan), 1954-56.
Visiting professor of political science, National Taiwan University, 1954-56.
Vice chairman, Taiwan Committee, China Institute in America, 1964-66.
Member, Board of Directors, Ginling College, Taipei, Taiwan, 1955-56.
Member, Advisory Board, Aid Refugee Chinese Intellectuals, Inc. (ARCI), 1955-56.
Ford Foundation rotating research professor of political science, Yale, 1958-1960.


"Where Can We Stand in Asia?" Virginia Quarterly Review (fall 1949, pp. 526–543).

"How to Understand American Foreign Policy," Free China (1955).


"Sino-Soviet Split?", Free Afro-Asia (No. 1, 1964, pp. 1–3).


Mr. ZABLOCKI. Dr. Possony.
Dr. Posony. Mr. Chairman, I did not know we were limited to 10 minutes. I have a statement of a half hour, but I will try to brief it down and will put the long text into the record.

I am appearing today before the Committee on Foreign Affairs to testify as an expert on strategy and including Communist strategy. The dispute between Moscow and Peiping has not paralyzed the world Communist movement. It has not destroyed Communist ability to pursue strategic operations aimed at world conquest. The world revolution continues. It is the single most important fact which American decisionmakers must take into account.

I have no doubts that the Sino-Soviet dispute is real and serious. I acknowledge that there are signs pointing to continuous deterioration of Sino-Soviet relations. However, I doubt very strongly that there is no strategic coordination between the two major Communist powers.

In one way or the other, most other Communist States feel obligated to support the Vietnamese Communists in their struggle against the free world. By contrast the Vietcong have sent advisers to Communist forces fighting in other parts of the world. The mutual defensive and offensive interests of the various Communist regimes prove to be stronger than their mutual—and undoubted—antagonisms.

There are, to be sure, divergencies in the strategic doctrines of European and Asian Communists. These divergencies correspond to different economic and technological realities. They are of lesser importance that the operational concepts which all trained Communists hold in common all over the world.

As a nation we still are unable to analyze communism objectively and to evaluate its strengths and weaknesses realistically.

The essential point is that the present situation has induced, or forced, various Communist states into actions which, in their combined effect, are just as successful as though they had been preplanned and preconcerted. In one way or the other, the war in Vietnam serves the interest of all Communist regimes and of the international Communist movement, and it does so at relatively small cost.

During the present phase of the world conflict, the Communist conquest of South Vietnam is the priority objective of all Communist organizations.

The revolutionary offensive is carried forward from bases that are secure. Should the offensive fail in the end, communism would not lose any of its recognized holdings.

The basic elements of Communist strategy are standard: protracted, unceasing effort to attrite free world forces; gradual advance; combination of all forms of struggle, notably in the current phase; the waging of people's war and supporting it strategically through nuclear deterrence and psychological warfare; support to the main front by diversionary operations; the avoiding of major or even minor risks; and the gaining of time to disorganize the free world and allow the Soviet Union to proceed with its preparations for the ultimate showdown.
American strategy in Vietnam has been only partially successful. Our success—and I don't want to belittle it—has been that so far, the Communists have been unable to reach their objective and seize South Vietnam.

It is, of course, to be recognized that the tactical situation on the ground has changed to our advantage. The Vietcong no longer enjoy the undisturbed use of rest areas or local sanctuaries. Their supplies are running lower, their casualties higher. Our search, destroy, and pursue tactics have put them on the run. We have succeeded in building up safe areas of our own. We also control more territory than we did 1 year ago.

If new Communist fronts were opened up, perhaps as a result of the tricontinental conference that was held at Havana, American security problems would be vastly complicated. But if we stay marooned in Vietnam, we may have no choice but to ignore the second front or else reduce our strength at the main active front. Unrest also may erupt independently from Communist actions. In brief, our strategic position may become increasingly difficult.

Against the low-cost, no-risk strategy which the Communists are employing to conquer Southeast Asia, the United States is trying a high-cost, least-result operation. Our expensive soft-touch strategy is the main reason why the Vietnamese war is dragging on interminably.

Communist strategy is of a relative low-cost type because, as a fact of life, guerrilla forces enjoy substantial tactical advantages over counterguerrillas.

The current Communist strategy entails no risk because the conflict takes place almost exclusively in free world territory. The main social and human costs are borne by populations on our side of the curtain. We hold out no threat to the survival of the Communist regime at Hanoi or any other Communist country; and the population of North Vietnam is barely touched by the war. There is no incentive for the Communists to stop the aggression.

It seems a foregone conclusion that as the conflict drags on, costs will escalate further. Our much publicized cost accounting concepts do not seem to be applied to the Vietnamese theater.

Not the least danger in this situation arises from the fact that the decisive front remains that of the megaton missile confrontation across the pole.

As we increase our commitments in Vietnam, and as we may be forced to prepare for additional guerrilla fronts, our strategic nuclear forces may be put on a starvation diet, if they are not there already. The margin of our strategic superiority has been going down during the last few years. The development and deployment of important strategic weapons systems has been postponed. Some indispensable systems may not be built at all, or may be procured only in inadequate strength. Even today, Europe is inadequately protected against the Soviet MRBM threat.

We fell into the present trap by escalating one false assumption into the next bigger one. After the Cuban missile crisis, we assumed that the cold war had reached its turning point. This line has now fallen into oblivion. Early in 1963, we assumed that the war in Vietnam was just about won and that we could withdraw by the end of the year. This line, too, is no longer insisted upon. Now we are addicted to the
assumption that we can win this conflict without seriously hurting the Communists, and that peace may emerge as an effect of the Sino-Soviet dispute, perhaps through Soviet brokerage.

It is also assumed that more troops will smother the guerrillas. But if it takes 10 to 20 counterinsurgents to catch 1 guerrilla, this may not be a feasible course of action. Nor is it feasible if the ratio is only one of 6 to 1 or even 3 to 1. We are willing to fight a war of attrition (perhaps this is simply a rationalization), but attrition strategy helps the enemy more than us. We believe in low and slow pressure but unless we succeed in applying heavy pressure fast and become capable of capitalizing more on speed than on numbers, we will not be making much headway, barring unforeseen events in Communist capitals.

We also assume that the war against North Vietnam can be won by fighting only in South Vietnam (except for sporadic air attacks). This is the greatest illusion of them all. Even if we were to pacify South Vietnam, we might have achieved only a temporary truce. Sooner or later the war would be rekindled, at the present front or somewhere else.

The United States can't extricate itself from this trap by disengaging "gracefully." No such capability exists. We either win or lose—and if we lose, there is nothing we can do to save face. Let us have no illusions about the impact of an American defeat.

We have, therefore, no choice but to effect changes in strategy which will allow us to achieve more substantial military successes and to accelerate the defeat of the Vietcong and of the North Vietnamese forces. The ground rules under which this conflict is being fought by the United States must be altered, in some ways rather drastically. The sooner we recognize the need for such change, the better.

Under present ground rules, while the survival of the Saigon regime remains in doubt, the Hanoi regime is not even threatened. None of the other bases of Communist aggression is put in jeopardy. Only free world positions are at stake. We must insure that Communist aggression becomes risky business. To this end, we must withdraw our implicit guarantee that we would not evict the Communists from North Vietnam.

Under present ground rules, further protraction of the war merely serves the interests of world communism, whether at Moscow, Peking, or Hanoi. Given the relatively low cost of the operation and the absence of risk, the Communists can hope ultimately to achieve very considerable gains. There is virtually no gain in sight for the free world. We must accelerate the war in such a fashion that attrition will become effective against the Communists.

Under present ground rules, North Vietnam is on the whole spared the horror of war. I do not believe that the North Vietnamese population is intrinsically Communist, and therefore I go along with any strategy which is designed to spare them. It will be necessary to arouse this population so that it increasingly opposes the continuation of the aggression which, even if it were successful, can bring them no benefits.

There is no way but to put pressure, directly or indirectly, on the Communist power apparatus in North Vietnam. We should increase the workload on people simply by forcing them into costly and complicated repair operations.
Without such pressure, the Hanoi government cannot be forced back to worry about its own bailiwick and there will be no incentive for Hanoi to listen to reason.

Many improvements in operational tactics are feasible and necessary. Most people are very free with negative advice. Washington is usually told what it should not do. What we need is to adopt tactics that work. Such tactics do not have to be newly invented, although good ideas can be had for the asking. Most of the job can be done if we only were to apply the experiences which we have learned since 1941.

An effective blockade of Haiphong would be a good way of returning to tested military principles. If we don't want to take too drastic an action too early, we could mine the ports and force the enemy into offshore unloading. We also could destroy the harbor facilities. Or else, we could operate under the rules of contraband and merely prohibit the importation of certain goods.

Some of our allies who trade with North Vietnam would howl and perhaps we could offer them compensation. But after all, they are not paying our military budget and we are entitled to their support.

We could step up the air offensive which so far has had only limited success—the present-day offensive is even less effective than the offensive last year because the restrictions are greater than before—because we avoided hitting really important targets, apparently selected many improper targets, have been using inadequate bomb loads, bombed too infrequently, bombed without continuity, and lacked best intelligence. It is exactly a repetition of the air operations we have had in 1941-42. But air operations can be highly successful. We are using the air as an auxiliary medium but we could use it to stop Communist aggression.

Interdiction of the battlefield requires more than intermittent air attack, to wit, a combination of air, ground, and naval attack, not just on and near the battlefield but deep in the rear. It requires actions in North Vietnam and perhaps in Laos—actions like commando raids, ground demolition attacks, and airborne and amphibian landings to force enemy redeployments.

Perhaps we should go after food supplies, not initially to produce a famine but to raise fears about hunger and to achieve a capability of applying real pressure. Such a strategy presupposes an effective blockade. It may require air attacks on storage sites and irrigation systems. It may call for attacks on crops with dyes or with destructive agents. And it necessitates psychological support operations.

Speaking of psychological operations, about which we learned many lessons now forgotten, illiterate audiences are particularly vulnerable if properly approached. Superstition and astrology—I know what I am saying here, it is not just a slip of the tongue—offer many possibilities which we do not seem to be exploiting. To be effective, large-scale use must be made of airplanes—and that requirement is traditionally resisted. Yet cheap and safe planes with good payloads are available. There seems to be little success with reeducation—which was successful in Greece—and with turning prisoners and defectors against the guerrillas, a tactic which was successful in Kenya. Our ideological persuasiveness appears to be weak. No wonder we have resisted the ideological approach since about 1954. But we might remember that it is feasible to wage psychological warfare successfully everywhere.
Intelligence does appear to require new approaches—all I have said so far was little more than a reminder of things known. Let me merely mention as a required novelty Congressman Hosmer’s proposal of February 9, 1966, calling for the systematic identification of guerrillas. A switch from territorial and installmental intelligence to intelligence on personalities is required and would mean opening a new page.

American history has proved, time and again, that poor civilian-military relations are an almost infallible recipe for trouble. Even with full mutual confidence among civilian and military decision makers, no distant war can be conducted effectively from Washington. Georges Clemenceau, World War I Premier of France, has stated, and in my view correctly, that war is too serious a business to be left to the generals. But it is equally true that war is too serious a business to be left in the hands of the civilians. I do not dispute the requirement for civilian authority to lay down ground rules, including those of a restrictive kind, but civilian authority once it has decided that we must fight, is morally obliged to insure that our forces are enabled to fight effectively.

If we cannot bomb effectively, if we cannot use nonlethal chemical weapons on a sufficient scale; if we cannot invade; if we cannot retaliate against terror attacks; if we cannot use missiles to knock out the SAM sites in North Vietnam; if we do not use psychological warfare effectively; if, in brief, we allow ourselves to be paralyzed by taboos, we give aid and comfort to the enemy.

Paralyzing ideas tend to snowball, until ultimately we may be unable to handle even weak enemies. Then our deterrent power will have vanished.

The present strategy of taboos is overcommitting the American Military Establishment because, if we cannot fight in an effective way, we must fight in a costly way. Consequently, an agonizing reappraisal of our military programs will become inevitable. Unless we acquiesce in Communist ascendancy, drastic increases in military manpower and expenditures will have to be ordered; and this may prove to be self-defeating.

By contrast, if we were to liberate ourselves from just one paralyzing idea, for example the thought that the war cannot be carried into North Vietnam, the course of the war could be changed almost overnight.

Our ineffectiveness is due in large part to fears that measures which hurt the Communists would be unpopular. But would such measures not be popular with our friends who do not desire an American overcommitment in Vietnam, who fear an American defeat, and who hope for Communist defeat? Would the unpopularity of effective action be greater than the unpopularity of failure?

Loss of popularity is not to be taken lightly. But if we fail, we will not become more popular and we may lose the deterrent power we now possess to put the quietus on Communist revolutionary wars. If we win, the people’s war strategy will be just as much deterred as the strategy of limited war that has been deterred since the Korean conflict; and as the strategy of nuclear war remains deterred, we hope, because of our nuclear superiority.

It is entirely possible that in this presentation I have underrated the successes which we have achieved or are about to achieve. I
sincerely hope that I am wrong. The pressures on the Communists may be greater than can be perceived through the fog of war, but we also may be underrating their remaining resources and will.

I have been following military developments for some 32 years, and I have been called upon repeatedly to present strategic estimates about conflicts in progress. This experience has taught me one lesson: That wishful thinking and the reluctance to make hard decisions pose the greatest single threat—self-generated threat, that is—with which free and democratic government must cope. The signposts of too little and too late do not point the way to popularity, prosperity, or peace. They only show the road to hell.

I apologize for having taken a little too long.

Mr. Zablocki. Thank you, Dr. Possony.

(The prepared statement of Dr. Possony is as follows:)

**STATEMENT BY DR. STEFAN T. POSSONY**

I am appearing today before the Committee on Foreign Affairs to testify as an expert on strategy and including Communist strategy.

The dispute between Moscow and Peiping has not paralyzed the world Communist movement. It has not destroyed Communist ability to pursue strategic operations aimed at world conquest. The world revolution continues. It is the single most important fact which American decisionmakers must take into account.

I have no doubts that the Sino-Soviet dispute is real and serious. I acknowledge that there are signs pointing to continuous deterioration of Sino-Soviet relations. However, I doubt very strongly that there is no strategic coordination between the two major Communist powers. This coordination may be of limited scope, it may be punctuated by quarrels and hampered by ill will, and it may be de facto rather than de jure. It is nevertheless in evidence; in varying degrees and forms both the Soviet Union and Communist China are supporting the so-called people’s war in Vietnam; and this support is a necessary condition for the continuation of that conflict.

In one way or the other, most other Communist states feel obligated to support the Vietnamese Communists in their struggle against the free world. By contrast the Vietcong have sent advisers to Communist forces fighting in other parts of the world.

The mutual defensive and offensive interests of the various Communist regimes prove to be stronger than their mutual—and undoubted—antagonisms. This is so because most Communist rulers assume—and probably assume rightly—that the fall of one Communist regime would endanger all Communist states.

The fact that, save for unimportant exceptions, communism was never yet dislodged from a country it seized, remains the strongest argument in favor of the myth that the worldwide victory of communism is inevitable.

There are, to be sure, divergencies in the strategic doctrines of European and Asian Communists. These divergencies correspond to different economic and technological realities. They are of lesser importance than the operational concepts which all trained Communists hold in common all over the world.

As a nation we still are unable to analyze communism objectively and to evaluate its strengths and weaknesses realistically.

I do not believe that the Communists have planned the present situation. To a large extent this situation has had its own momentum. I am willing to accept the hypothesis that the main initiatives for the present conflict have come from Hanoi, and not from Moscow or Peiping. But we simply do not know the facts. We should beware mistaking Communist “plants” for reliable information.

The essential point is that the present situation has induced, or forced various Communist states into, actions which, in their combined effect, are just as successful as though they had been preplanned and preconcerted. In one way or the other, the war in Vietnam serves the interest of all Communist regimes and of the international Communist movement and it does so at relatively small cost.

The active front of the Communist world revolution is today in Vietnam. During the present phase of the world conflict, the Communist conquest of South Vietnam is the priority objective of all Communist organizations.
The revolutionary offensive is carried forward from bases that are secure. Should the offensive fail in the end, communism would not lose any of its recognized holdings.

The basic elements of Communist strategy are standard: Protracted, unceasing effort to attrite free world forces; gradual advance; combination of all forms of struggle notably, in the current phase, the waging of people's war and supporting it strategically through nuclear deterrence and psychological warfare; support to the main front by diversionary operations; the avoiding of major or even minor risks; and the gaining of time to disorganize the free world and allow the Soviet Union to proceed with its preparations for the ultimate showdown.

American strategy in Vietnam has been only partly successful. Our success has—and I don't want to belittle it—been that so far, the Communists have been unable to reach their objective and seize South Vietnam. Great though this American success may be, it has merely created the precondition of our ultimate success. Meanwhile, all of our victories have remained inconclusive. The enemy forces remain largely intact and are quite capable of continuing the war indefinitely. The sociopolitical cohesion of South Vietnam remains weak.

It is, of course, to be recognized that the tactical situation on the ground has changed to our advantage. The Vietcong no longer enjoy the undisturbed use of rest areas or local sanctuaries. Their supplies are running lower, their casualties higher. Our search-destroy-and-pursue tactics have put them on the run. We have succeeded in building up safe areas of our own. We also control more territory than 1 year ago.

Still, our successes so far have been merely tactical in nature. There has as yet been no strategic success, except for the fact that the Communists have been compelled to throw large numbers of additional regular troops into the battle. Whether this change is to our advantage remains to be seen. I repeat, for many reasons, there has been no decisive or conclusive success.

If new Communist fronts were opened up, perhaps as a result of the tricontinental conference that was held at Havana, American security problems would be vastly complicated. We may be compelled to provide military aid to strategically located countries on other continents; or else we may have no choice but to let countries fall to Communist control. The troubles that may arise if a second Castro were to seize one or the other Latin American country need not be labored. But if we stay marooned in Vietnam, we may have no choice but to ignore the second front or else reduce our strength at the main active front. Unrest also may erupt independently from Communist actions. In brief, our strategic position may become increasingly difficult.

Against the low-cost-no-risk strategy which the Communists are employing to conquer Southeast Asia, the United States is trying a high-cost-least-result operation. Our expensive soft touch strategy is the main reason why the Vietnamese war is dragging on interminably.

Communist strategy is of a relative low-cost type because, as a fact of life, guerrilla forces enjoy substantial tactical advantages over counterguerrillas. The current Communist strategy entails no risk because the conflict takes place almost exclusively in free world territory. The main social and human costs are borne by populations on our side of the curtain. We hold out no threat to the survival of the Communist regime at Hanoi or any other Communist country, and the population of North Vietnam is barely touched by the war. There is no incentive for the Communists to stop the aggression.

By contrast, the United States is running a high-cost operation because of the nature of the war and of logistics requirements, but also because of deliberate restraint in the use of modern technology. We achieve least results because we are fighting defensively; i.e., within our own territory, and because we have adopted various restrictions which preclude maximum military effectiveness.

It seems a foregone conclusion that as the conflict drags on, costs will escalate further. Our much publicized cost-accounting concepts do not seem to be applied to the Vietnamese theater.

The least danger in this situation arises from the fact that the decisive front remains that of the megaton missile confrontation across the pole.

As we increase our commitments in Vietnam, and as we may be forced to prepare for additional guerrilla fronts, our strategic nuclear forces may be put on a starvation diet. The margin of our strategic superiority has been going down during the last few years. The development and deployment of important strategic weapons systems has been postponed. Some indispensable systems may not be built at all, or may be procured only in inadequate strength. Even today, Europe is inadequately protected against the Soviet MRBM threat.
Some of our strategic decisions, both in Vietnam and in the area of modern technology, have been partly motivated by illusions about the feasibility or desirability of disarmament.

We also have entertained massive illusions about the real meaning of the Communist strategy of coexistence, and about a presumed intent to call off the world revolution. We tend to belittle the Soviet threat, and the Soviet involvement in Vietnam, and to exaggerate the present and future danger of China.

There is, however, substantial literary evidence of Soviet preoccupation with war—nuclear war as well as so-called liberation wars. The Soviets are on record as presently favoring liberation wars. I agree that the Soviet Union does not want nuclear war with the United States now—they are not ready.

To the Communist mind the danger of overall war must be reduced by active means. Such means include peripheral wars which serve as diversions both of U.S. strength and Washington attention.

We should not misread a strategy of "gaining time" for peacefulness. The hate propaganda against the United States which continues to be spewed forth by Soviet and satellite radio stations supports the contention that Communist intentions have not changed. The Soviet Union is not interested in peace, certainly not in a reasonable peace in Vietnam. It will work for peace—temporary peace—only if a suspension of hostilities were a lesser evil, in terms of their strategic interests.

Our illusions have landed the United States in a huge trap. If we abandon the struggle and accept defeat in Vietnam, communism will make a great leap forward and half of Asia may fall as well.

If we continue under present operational ground rules, the Communists may succeed in opening new fronts and they may win unopposed somewhere in Latin America, Asia, or Africa. In the absence of new fronts, the costs of the Vietnam conflict will continue to escalate and in order to save money, our strategic capabilities may be reduced. It is easy to see therefore, that the present situation is entirely to the benefit of the Soviet Union.

We fell into the present trap by escalating one false assumption into the next bigger one. After the Cuban missile crisis, we assumed that the cold war had reached its turning point. Early in 1963, we assumed that the war in Vietnam was just about won and that we could withdraw by the end of the year. This line, too, is no longer insisted upon. Now we are addicted to the assumption that we can win this conflict without seriously hurting the Communists, and that peace may emerge as an effect of the Sino-Soviet dispute, perhaps through Soviet brokerage.

It is also assumed that more troops will smother the guerrillas. But it takes 10 to 20 or only 6 counterinsurgents to catch 1 guerrilla, this may not be a feasible course of action. Nor is it feasible if the ratio is only one of 6 to 1 or even 3 to 1. We are willing to fight a war of attrition (perhaps this is simply a rationalization), but attrition strategy helps the enemy more than us. We believe in low and slow pressure but unless we succeed in applying heavy pressure fast and become capable of capitalizing on speed rather than on numbers, we will not be making much headway—barring unforeseen events in Communist capitals.

We also assume that the war against North Vietnam can be won by fighting only in South Vietnam (except for sporadic air attacks). This is the greatest illusion of them all. Even if we were to pacify South Vietnam, we might have achieved only a temporary truce; sooner or later the war would be rekindled, at the present front or somewhere else. Remember that the present conflict in many ways results from the unfinished business in Korea.

To extricate ourselves from the trap into which we have fallen, we must first understand that we find ourselves in a trap and that from the point of view of Communist world strategy, the Vietnamese conflict is a huge diversion which advances Communist interests. Second, we must begin placing high burdens of cost and risk upon Communist shoulders.

The United States can't extricate itself from this trap by disengaging gracefully. No such capability exists. We either win or lose—and if we lose, there is nothing we can do to save face. Let us have no illusions about the impact of an American defeat.

Nor are we able to extricate ourselves through aid and credit offers. Certainly, we must hold out the option of social development and clarify to the Vietcong and the North Vietnamese that we are able to offer the alternative of a just war or of constructive internal development. But effective economic aid—as distinguished from assistance to mitigate the impact of war on the civilian population—is predicated upon peace.

Insofar as China is concerned, we must remember that increased trade would have no other internal consequence than to stabilize the Communist regime.
Since such trade would serve largely to overcome critical shortages, it would allow China to continue its support of the war in Vietnam. In the present confrontation the Chinese seem to deliver all the help the North Vietnamese want or can use. The trade that is taking place also is a key factor enabling the Chinese to build up the nuclear force about which Mr. McNamara has been warning.

The real economic need of China is that of huge investment. The magnitude of the investment required for substantial economic growth is beyond the resources of the United States, Western Europe, and the Soviet Union combined. Any outside investment below $5 billion annually, though every dollar could be used, would not make an appreciable difference. It is, therefore, more than questionable that we have, or that anybody has, a serious capability of offering China an economic incentive to be peaceful.

Nor will social reform in South Vietnam, important and desirable though it is, win the war. If such reforms had been initiated and were in effect now, they would facilitate our task, and probably there would be no war to begin with. But serious reforms executed in the midst of battle actually may render our task more difficult because reorganizations inevitably produce temporary disorder and because fast reforms inevitably set off political strife.

We have, therefore, no choice but to effect changes in strategy which will allow us to achieve more substantial military successes and to accelerate the defeat of the Vietcong and of the North Vietnamese forces. The ground rules under which this conflict is being fought by the United States must be altered, in some ways rather drastically. The sooner we recognize the need for such change, the better.

Under present ground rules, while the survival of the Saigon regime remains in doubt, the Hanoi regime is not even threatened. None of the other bases of communist aggression is put in jeopardy. Only free world positions are at stake. We must insure that Communist aggression becomes risky business. To this end, we must withdraw our implicit guarantee that we would not evict the Communists from North Vietnam.

Under present ground rules, further protraction of the war merely serves the interests of world communism, whether at Moscow, Peiping, or Hanoi. Given the relatively low cost of the operation and the absence of risk, the Communists can hope ultimately to achieve very considerable gains. There is virtually no gain in sight for the free world. We must accelerate the war in such a fashion that attrition will become effective against the Communists.

Under present ground rules, North Vietnam is on the whole spared the horror of war. I do not believe that the North Vietnamese population is intrinsically Communist, and therefore I go along with any strategy which is designed to spare them. At the same time, this population firmly believes that Ho Chi Minh is a winner. On this point they must be disabused. It will be necessary to arouse this population so that it increasingly opposes the continuation of the aggression which, even if it were successful, can bring them no benefits.

There is no way but to put pressure, directly or indirectly, on the Communist power apparatus in North Vietnam. Without such pressure, the Hanoi government cannot be forced back to worry about its own bailiwick and there will be no incentive for Hanoi to listen to reason.

Many improvements in operational tactics are feasible and necessary. Most people are very free with negative advice. Washington is usually told what it should not do. What we need is to adopt tactics that work. Such tactics do not have to be newly invented, although good ideas can be had for the asking. Most of the job can be done if we only were to apply the experiences which we have learned since 1941.

An effective blockade of Haiphong would be a good way of returning to tested military principles. If we don't want to take too drastic an action too early, we could mine the ports and force the enemy into off-shore unloading. Or we could destroy the harbor facilities. Or else, we could operate under the rules of contraband and merely prohibit the importation of certain goods.

Some of our allies who trade with North Vietnam would howl and perhaps we could offer them compensation. But after all, they are not paying our military budget and we are entitled to their support.

We could step up the air offensive which so far has had only limited success, because we avoided hitting really important targets; apparently selected many improper targets; have been using inadequate bomb loads; bombed too infrequently; bombed without continuity; and lacked best intelligence. It is exactly a repetition of the air operations we have had in 1941-42. But air operations can be highly successful. We are using the air as an auxiliary medium but we could use it to stop Communist aggression.
Airplanes can't catch coolies, and attacks on roads, bridges and even railroads don't really stop battle logistics. The bombing of battlefield targets also often is uncertain business. Certainly, North Vietnam is not an industrial nation, but we could destroy those industrial targets as do exist.

Coordination between the various branches of the Armed Forces seems to be inadequate. This is in the historical tradition. Interdiction of the battlefield requires more than intermittent air attack, to win a combination of air, ground, and naval attack, not just on and near the battlefield but deep in the rear. It requires actions in North Vietnam and perhaps in Laos—actions like commando raids, ground demolition attacks, and airborne and amphibious landings to force enemy redeployments.

Perhaps we should go after food supplies, not initially to produce a famine but to raise fears about hunger and to achieve a capability of applying real pressure. Such a strategy presupposes an effective blockade. It may require air attacks on storage sites and irrigation systems. It may call for attacks on crops with dyes or with destructive agents. And it necessitates psychological support operations.

Speaking of psychological operations, about which we learned many lessons now forgotten, illiterate audiences are particularly vulnerable if properly approached. Superstition and astrology offer many possibilities which we do not seem to be exploiting. To be effective, large-scale use must be made of airplanes— and that requirement is traditionally resisted. Yet cheap and safe planes with good payloads are available. There seems to be little success with recrudescence (which was successful in Greece) and with turning prisoners and defectors against the guerrillas (a tactic which was successful in Kenya). Our ideological persuasiveness appears to be weak—no wonder we have resisted the ideological approach since about 1954. But we might remember that it is feasible to wage psychological warfare successfully everywhere, provided the enemy audience realizes that we possess an indestructible will and full determination to win.

Intelligence does appear to require new approaches—all I have said so far was little more than a reminder of things known. Let me merely mention as a required novelty Congressman Hoeper's proposal of February 9, 1966, calling for the systematic identification of guerrillas. A switch from territorial and installational intelligence to intelligence on personalities is required, and we mean opening a new page.

American history has proved, time and again, that poor civilian-military relations are an almost infallible recipe for trouble. Even with full mutual confidence among civilian and military decisionmakers, no distant war can be conducted effectively from Washington. Georges Clemenceau, World War I Premier of France, has stated, and in my view correctly, that war is too serious a business to be left to the generals. But it is equally true that war is too serious a business to be left in the hands of the civilians. I do not dispute the requirement for civilian authority to lay down ground rules, including those of a restrictive kind, but civilian authority once it has decided that we must fight, is morally obliged to insure that our forces are enabled to fight effectively.

If we cannot bomb effectively; if we cannot use nonlethal chemical weapons on a sufficient scale; if we cannot invade; if we cannot retaliate against terror attacks; if we cannot use missiles to knock out the SAM sites in North Vietnam; if we do not use psychological warfare effectively; if, in brief, we allow ourselves to be paralyzed by taboos, we give aid and comfort to the enemy.

Paralyzing ideas tend to snowball, until ultimately we may be unable to handle even weak enemies. The present strategy of taboos is overcommitting the American Military Establishment because, if we cannot fight in an effective way, we must fight in a costly way. Consequently an agonizing reappraisal of our military programs will become inevitable. Unless we acquire in Communist ascendancy, drastic increases in military manpower and expenditures will have to be ordered; and this may prove to be self-defeating.

By contrast, if we were to liberate ourselves from just one paralyzing idea, for example the thought that the war cannot be carried into North Vietnam, the course of the war could be changed almost overnight.

Our ineffectiveness is due in large part to fears that measures which hurt the Communist would be unpopular. But would such measures not be popular with our friends who do not desire an American overcommitment in Vietnam, who fear an American defeat, and who hope for Communist defeat? Would the unpopularity of effective action be greater than the unpopularity of failure?

Loss of popularity is not to be taken lightly. But if we fail, we will not become more popular and we may lose the deterrent power we now possess to put the quietus on Communist revolutionary wars. If we win, the people's war strategy
will be just as much deterred as the strategy of limited war that has been deterred since the Korean conflict, and as the strategy of nuclear war remains deterred, we hope, because of our nuclear superiority.

We must recognize that this conflict is not a popularity contest. When you are in the ring fighting, you should not worry too much about whether the opponent—and the usherettes—like you.

The United States has enough strategic, tactical, and amphibious strength to terminate this war, to keep South Vietnam free, and to liberate North Vietnam—and to do all this while deterring the Chinese and the Soviet Union.

It is a key task of U.S. foreign policy to help create the conditions wherein our forces are able to fight successfully.

If we wait until the Communists grow tired, at a time when their strategy of attrition is paying off, we have a long and dark night before us. The Communists must be forced into a corner or else they will not cease and desist.

It is entirely possible that in this presentation I have underrated the successes which we have achieved or are about to achieve. I sincerely hope that I am wrong. But I have been following military developments for some 32 years, and I have been called upon repeatedly to give strategic estimates about conflicts in progress. My experience has taught me one lesson: that wishful thinking and the reluctance to make hard decisions pose the greatest single threat—self-generated threat, that is—with which free and democratic government must cope. The signs of "too little" and "too late" do not point the way to popularity, prosperity, or peace. They only show the road to hell.

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

**Résumé of Dr. Stefan T. Possony**

Born 1911 in Vienna, Austria, educated in Austria, Germany, Italy, France and United States.

Freelance writer on economic, international and military affairs, 1935-39.

Advisor, French Air Ministry, 1939–40.


Carnegie research fellow, Institute for Advanced Study, Princeton, N.J., 1941–42.

Psychological warfare specialist, Office of Naval Intelligence, Navy Department, Washington, D.C., 1943–46.


Professor of international politics, Graduate School, Georgetown University, Washington, D.C., 1946–61.


Director of international political studies program, Hoover Institution, Stanford University, Stanford, Calif., 1961 to date.

Author of books and articles. Lecturer on international affairs, strategy and communism. (Lectured all over United States, also in Canada, Austria, and France.)


**Mr. Zablocki. Dr. Pan.**

**STATEMENT OF DR. STEPHEN C. Y. PAN, DIRECTOR, EAST ASIAN RESEARCH BUREAU, NEW YORK CITY, N.Y.**

Dr. Pan. Thank you, Mr. Chairman.

Mr. Chairman, distinguished members of the subcommittee, I am very grateful to all of you for allowing me to give testimony on the Vietnam war and Communist China. I myself was brought up in China and lived in Vietnam for a long time. The information I have gathered together is primarily based on East Asian sources. In particular, I have recently been in the Far East, in South Vietnam, and
around the Iron Curtain. I have taken the trouble of compiling all
this information obtained not only from secondary sources but also
from some Communist sources and some of the members who are still
working within the Communist Party and through underground
methods I have obtained some of the information.
I have prepared some 40 pages—please don't be frightened; I will
not read it—but I will ask the kind permission of the chairman and the
committee for it to be inserted in the record of the hearings.
I shall therefore make a very brief statement, within 10 minutes,
to give you an oral statement on the situation in Communist China in
relation to the war in Vietnam, and Red China.
Mr. Zablocki. Doctor, I failed to advise the witnesses that in
addition they may file their complete statements which will become
a part of the record.
Dr. Pan. I have given it to your distinguished secretary, a copy of
this statement which I have prepared.
The war in Vietnam has attracted the attention of all the Americans
and all the peoples in the world today. The outcome of this war will
not only determine the destiny of all the Vietnamese people but also
affect tremendously the fate of many millions of people in east Asia.
It will also influence the ultimate outcome of the struggle between
the Communist and non-Communist nations. Both the hawks and
the doves are talking about the shadow of Red China on the Viet­
namese war. Therefore it seems to me to be advisable to an understand­
ing of the ruling party, the only powerful party on the China
mainland.
The Chinese Communist Party from 1949 to 1957 has made some
progress in stabilizing China's currency, restoring communication
lines, improving public health, increasing military weapons, instit­
tuting social reforms, and above all there is now a united China on
the China mainland.
But since 1958, after the establishment of the so-called commune
system and the promotion of the great leap forward movement which
tried to accomplish what the Soviet Union was unable to do since 1917,
and which cost too much in human and natural effort, the party has
met resistance and failure. Certain errors have been corrected, and
some of the harsh measures have been relaxed. But the fundamental
mistakes of communism cannot be removed unless Peiping changes its
basic policy of world revolution and its aggressive policy in relations
with the rest of the world.
Basic Communist theory adheres to the hard line of world revolu­
tion. It agrees with Moscow's present soft line coexistence policy
only to a certain extent. Peiping thinks that the time is ripe for "wars
of liberation" in east Asia, Africa, and even in some parts of Latin
America. It has pledged its full support of the Vietnamese war.
It has obstructed every peace move from the United States and
practically from all directions, including some Communist nations
and Pope Paul himself. Mao Tse-tung is still the undisputed leader
in Peiping—even if he dies tomorrow, Maoism will continue to exist
as though Mao himself was there. This means there will be no sub­
stantial change in Peiping's hard line totalitarianism in aggressive policy.
The abolishing of all military titles indicates more rigid control of
the party and elimination or lessening the jealousies of the various
generals of the People's Army. However, in spite of the tightening
of control of the party, especially under the present "eat less but work