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NAVAL WAR COLLEGE
NEWPORT, R.I.

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ERRATA SHEET to Volume VIII, No. 2, October 1955, of the
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1. It is requested that addressees note corrections, as indicated below, in the October 1955 issue of the NAVAL WAR COLLEGE REVIEW:

(a) Page 61, under STRATEGY AND TACTICS, change 4 installments to 8 installments. Change 24 Naval Reserve Point Credits to 48 Naval Reserve Point Credits.

(b) Page 62, under ADVANCED INTERNATIONAL LAW, change 8 installments to 4 installments. Change 48 Naval Reserve to 24 Naval Reserve Point Credits

**NAVAL WAR COLLEGE
REVIEW**

**Issued Monthly
U. S. Naval War College
Newport, R. I.**

EDITORIAL POLICY NAVAL WAR COLLEGE REVIEW

Readers of the Review may have speculated on the manner in which lecture material is selected and edited.

Lectures are selected on the basis of :

- (a) Favorable evaluations by Naval War College audiences.
- (b) Usefulness to subscribers, in general, rather than material designed narrowly to support a specific college need.
- (c) Timeliness.

Materials must be chosen from the best of UNCLASSIFIED lectures at the Naval War College, and these represent a total of something less than half the overall Lecture Program. For this reason there is no orderly progression of subjects reflecting the logical outline of the College curriculum.

EDITOR.

U. S. POLICY IN THE FAR EAST — COMMUNIST CHINA

These lectures were delivered to
students of the Naval Warfare II Course
at the Naval War College
Academic Year 1954-1955
by
Dr. Walt W. Rostow

I propose over the next week to consider with you a problem of some interest — the problem of American policy in Asia.

In the first of these three lectures we shall examine the problem posed for the United States by the intentions and capabilities of Communist China. In the second we shall consider the dangers and potentialities which appear to be inherent in the position of Free Asia. And in the third, I shall consider the lines of action which are open to us in Asia — the alternatives we face there — and those which I would commend.

My discussion of Communist China today has a special and arbitrary focus. It is designed to indicate how the situation in Communist China relates to forces over which the United States can exercise some measure of control or influence, direct or indirect. It is an appreciation of Communist China which is designed to lead directly into the second and third lectures; that is, to the discussion of the situation in Free Asia, and to the possible lines of U. S. action.

There are, of course, many ways to discuss the position within a country or a society. The method I have chosen here to deal with Communist China is arbitrarily designed to lead ultimately into the question of U. S. action. I shall come back at the end of my talk to a few further reflections on the lecture, viewed as an intelligence exercise. But the method I have adopted is designed to dramatize the bare-boned structure — the skeleton — of

a particular view of Communist China which has emerged out of the research we have done. In so doing, I am assuming that you had a chance to look over the less formalistic and more conventional writing about Communist China incorporated in *The Prospects for Communist China* itself.

If one is going to produce an intelligence appreciation that leads up to the issues of action, I think one must start with some clarity about questions which he is ultimately going to answer. The notion that intelligence can be pursued abstractly by examining the evidence, and leaving the answers to drop off the end of the line from the mere collection of data, is not a correct one. I should therefore like to list at the beginning the five questions which summarize the interests of the American people and its government in Communist China:

1. Is it likely that Communist China will initiate major war against us or against areas vital to our interests?
2. Should war come about from any cause, what are Communist China's capabilities?
3. What are the intentions and capabilities of Communist China with respect to the expansion of its power by means short of major hostilities?
4. What are the prospects for the maintenance of Communist power in China?
5. What are the prospects for change in the nature of Communist power in China which might lead to developments favorable to the American interest?

To get at these searching and difficult questions in a reasonably orderly way, we must examine the variables which are likely to determine the future course of events in Communist China.

Broadly speaking, the equation we might set up for China's future has four major independent variables. It is these independent variables that are most likely to affect the course of events in Communist China which I should like to discuss with you now in some detail.

Our method this morning in this little exercise is first to consider the prospects for Communist China in general by examining the four variables on which its prospects appear to depend; and then, having set up that little theoretical model of Communist China, to turn to the five large strategic questions which I have set out as summarizing the nature of the American interest.

Here are my four independent variables:

First, the effective unity of the top leadership in Communist China. It is clear from all of history — and especially from all of modern history — that the minimum condition for the continuity and success of totalitarian or autocratic regimes is the maintenance of a high degree of unity and common purpose among the top leadership. So long as they remain together, controlling as they do by definition the instruments of force, we can assume a certain degree of continuity in their rule.

Second, the degree of success or failure of the new general line in Communist China — the so-called “transition to Socialism.” The core of the new general line is the Five-Year Economic Plan, the effort to move China into a position where it can sustain industrial growth on its own. As we shall see, it is on the success of this plan that almost every other aspect of Peking's contemporary aspirations hinge.

Third, the Sino-Soviet tie, which gives to a fundamentally weak China a link with a major power — a major power which shares an interest in the disruption of Western positions in Asia — is the minimum condition for permitting Communist China to pursue an aggressive course, given China's present weakness as

a straight military and economic power. It is obviously an essential variable.

Fourth, the external force arrayed against Communist China — not merely the military force, but the total political, economic, and military performance of the Free World; and especially the performance of the Free World in Asia.

I should now like to discuss each of these key variables.

The Chinese Communist top leadership in the first five years of its rule has enjoyed a degree of unity rare in Communist history. This unity is based on the common experience, comradeship, and history of success achieved by the group around Mao Tse-tung. After the Communist defeat in 1927, Mao succeeded in regrouping in the countryside. He developed a political and military strategy based on peasant support and on guerrilla operations. Around 1935, if not a bit earlier, he finally emerged (against Moscow's inclinations and Moscow's intent) unchallenged as the leader of the Chinese Communist movement. Those who now rule China are men who survived the 6,000-mile "Long March." For more than twenty years, they have stuck together. It is a notable fact that in the recent reorganization of the Chinese Communist government in the summer of this year, the key figures of the regime remained Old Guard veterans — literally veterans of the Long March itself.

It is undoubtedly true that beneath the level of Mao Tse-tung there is a considerable maneuvering for authority. There is also undoubtedly a considerable clash of interest among the different bureaucratic arms of power in Communist China. From all the information available one can only conclude that Mao Tse-tung has achieved a stronger degree of unity than did Stalin, Hitler, Lenin, or Mussolini. In part, we must attribute this unity to the peculiar kind of comradeship, mutual reliance, and habit of reconciliation which comes to men who have successfully survived many difficult experiences together.

It does not follow from this rather pessimistic view about the possibilities of schism in the ranks of the top leadership, that the Chinese Communist leadership is impervious to division in the future, even to serious division. Such division is notably possible after Mao dies, or ceases to be — as he is now — the effective source of decision. It may follow, however, that the sources of potential division among the top leadership are somewhat less likely to be matters of personal power and prestige than they are likely to be substantive issues of policy.

If forced to hazard a guess about the future, I would say this:- After Mao's death a split among the leadership may well emerge, centered on the issue of agricultural policy — the pace of collectivization — and perhaps also on the character of Sino-Soviet relations. I would hazard a further guess that if such a split over the substance of policy should emerge, one will find it not merely a split based on individuals and individual views, but, as usual in such regimes, a split on policy in which different policy views are associated with particular arms of the bureaucracy.

In effect, then, my conclusion is that the fate of the first variable — the effective unity of the top leadership — will in a sense depend upon the other three; that is, the continued unity of the leadership appears to hinge on the success or failure of internal policies, on Sino-Soviet relations; and, as we shall see, these in turn are linked to the nature of the external forces which Communist China faces in the Free World. In short, the top leadership is likely to remain unified — and therefore the control system is likely to remain intact — unless the present lines of policy, both internal and external, clearly fail of their purposes.

What of the second variable — the internal policy of Communist China? There, as you know, the fundamental conclusion of the analysis incorporated in *The Prospects for Communist China* is that a question mark hangs over the regime's internal policy. This question mark comes to rest at one point: on the human response

of the Chinese peasants to Communist rule and the effects of that human response on agricultural productivity and agricultural output in China. I confess that I find it rather satisfying in the midst of the modern world, with its tremendous powers of administration and control over the individual, and its tremendous capabilities to mobilize science for military purposes, to conclude that the ultimate fate of the Chinese Communist regime depends upon the psychological reaction of the Chinese peasant.

The reason for that conclusion is that we believe that the peasant's reaction may well determine whether agricultural output rises, stagnates, or falls in Communist China. We have tried to make clear that the First Five-Year Plan in Communist China, and all the ambitions for domestic and external power which hinge on its success can be traced back to this issue; that is, the rise, stagnation, or fall in agricultural output. There are no grounds (of which I know, at least) for predicting dogmatically a major internal crisis or failure, stemming from the position of agricultural output.

On the other hand, there is abundant evidence in the past few years and there is continuing evidence in the Chinese Communist press that the attitude of the Chinese Communist peasant toward the regime's policy is hostile; and in cold blood we must conclude that the tendency of agricultural output for the past two years has been downward. The best intelligence estimate I can give you is that the estimated crop for 1954 will be 9% under that of 1952. How much of that is due to a shift in the weather, and how much represents the slow beginning of a deterioration of productivity, none of us can say. It is definitely too soon to be sure whether this is a trend or a weather fluctuation.

In any case, in the equation that I have set up for our discussion today, the course of internal policies is clearly a key variable. Internal policy hinges upon the success of the industrialization plan, and the fate of the plan hinges in good part on

the peasant's productivity, which in turn is likely to be the net effect, on the economic side, of the impact on him of the regime's total performance.

We come now to the third variable — Sino-Soviet relations. Here you will recall that our general view is somewhat as follows:— The intimate ties formed by Stalin and Mao early in 1950, and incorporated in the pact of February of that year, were based on the view that Communism then had immense opportunities rapidly to move on from its victory in China to expand its power throughout Asia. Despite the urgency of internal Chinese problems, Mao was prepared in the first year of his rule to devote a high proportion of its energies and its resources to exploiting this believed potential for external expansion, and Moscow was prepared to take the considerable risks involved in the North Korean offensive of June 1950.

On the whole, from the point of view of the ambitions and hopes likely to have been in the minds of Communism's top leaders in 1950, that effort failed. In India, Pakistan, Thailand, Burma, Malaya, the Philippines, Japan, as well as in Korea, the Free World's line more or less has held. On the other hand, the Vietminh strength was successfully translated into Communist domination of the northern half of Vietnam at Geneva; and, of course, the position remains precarious and unstable throughout wide areas of Asia. Nevertheless, on balance, given the high but not unjustified hopes of 1950, Communist plans must be a good deal more sober now than they were then. In a stage where hopes are less inflated and the conflicts with the Free World somewhat cooled off, it is our view that the inherent friction and the inherent costs to China of the Sino-Soviet tie lie with increasing weight on Peking.

Since we put *The Prospects for Communist China* to bed in August, there have been events which tentatively support this thesis. As you know, the joint Sino-Soviet companies have recently been dissolved, and the Russians have agreed to fulfill that provision of the 1950 alliance which required their evacuation of Port

Arthur. Beyond that, Peking has launched a series of diplomatic maneuvers in Asia, more or less independently of Moscow, and is struggling to consolidate a position of quasi-independence on the diplomatic scene. It does not follow from this that Sino-Soviet ties are about to be broken. On the contrary, it is our judgment that this tie was made by the top Communist leaders in Peking for long-run purposes. Its particular purpose is this:- to supply to Peking a security and economic connection which will permit the Chinese Communists to pursue an aggressive and expansionist policy in Asia from a weak economic and military base.

Try to visualize for a moment what would happen to Communist China if it did break from the Soviet Union. It might well be able to protect its interior frontiers from the Russians by massing its considerable ground troops along those frontiers; but it would have to make new and important economic and security arrangements with the Free World, much as Tito did after his 1948 break with Moscow. At the moment, 75% of China's trade is with the Communist Bloc. This includes 100% of the trade in military equipment. China is moving into a situation where it is dependent on Moscow not only for its trade but for its flow of industrial and military spare parts — a form of dependence which, if you have ever been at the end of the pipeline, is peculiarly acute.

The upshot of the arrangements that China would have to make if it should break from the Soviet Union would inevitably be the abandonment of Chinese expansionist ambitions in Asia. It must take that to be the minimum terms on which the West would offer to bail them out under such circumstances. We see at the moment no evidence at all that Communist China does not intend to pursue a policy of maximum aggrandizement in Asia; and, given its fundamental military and economic weaknesses, it can only do so if it stands in close alliance to a major power. As long as the regime maintains its unity and faith in its present internal policy, which in turn are the foundations for its long-run

hopes for external expansion, we see no likelihood that the Sino-Soviet tie will break.

If the Sino-Soviet tie should break in the very near future — say in the next five years — it is my hunch (and that is all it is worth) that it will break as an indirect consequence of a major failure in the present internal policy of the regime; that is, a failure of its first Five-Year Plan and its current attempt at rapid industrialization. A dramatic decline in agricultural output which would deny the regime the ability both to expand its foreign trade and to feed its growing population would have two connections with the Sino-Soviet Alliance. First, it might persuade Peking that China's task of modernization is likely to be long and slow, and that it is likely to involve a considerable period during which capital would have to go into, say, chemical fertilizers rather than into steel and tanks; and that, to all intents and purposes, Peking must abandon hopes of expansion in Asia and be content with the protection of its borders and its national integrity. In such a movement, should it come about, the tie with Moscow could lose much of its present attraction. Second, the failure of the effort to repeat the Soviet industrialization experience on the Asian scene — and that is what is involved in the success or failure of the First Five-Year Plan — might have important secondary consequences on the whole ideological orientation to Moscow. There may be men quite close to the instruments of power in Communist China — notably a Communist China after Mao has left the scene — who may conclude under such assumed circumstances that once again, in taking over Stalin's model from Russia, China has tried to absorb an indigestible and inappropriate piece of Western experience.

In general, then, the state of Sino-Soviet relations is partly dependent on what happens to the internal policy to which Peking has now committed itself. And I conclude that two of my first three variables hinge substantially on the third; that is, that the effective unity of the regime, and the fate of the Sino-Soviet tie,

are related intimately to the success or failure of the Five-Year Plan.

Of course, we can envisage other circumstances in which the Sino-Soviet tie might affect the outcome in China. If, for example, Moscow should attempt to convert China into a straight satellite by acquiring control over the internal instruments of Chinese power, I think we can safely assume a violent reaction, even among the most stalwart of Chinese Communist leaders; and we can assume an attempt by Peking to break the tie. The tie might also be weakened or broken by an internal crisis in the Soviet Union which would so weaken the Soviet Union on the world scene as to make it no longer a satisfactory partner for a weak but ambitious Peking. Finally, of course, the tie might be broken if, during a major war, the Soviet Union appeared to Peking to face defeat. Under such circumstances Peking would probably make the best terms it could with the Free World, lacking (as it evidently does) the capability to conduct a modern war against the external world to a decision without the benefit of the Soviet tie. But aside from these less-likely possibilities, the Sino-Soviet relationship appears heavily dependent on the success of Peking's internal policy.

We come now to the fourth variable in our equation — namely, the course of events in the Free World; and particularly, the military strength and economic and political vitality of the forces arrayed around Communist China in Free Asia.

As we have tried to trace out in our *Lines of Action* paper, we believe that there is an important degree of interaction between the events in Free Asia and events in Communist China. Whether right or wrong, it is certainly the most important conclusion of our China project that China is so caught up in the competitive struggle in Asia that it must either go forward, making good its pretensions to power and the ideological leadership in Asia, or it must suffer a significant setback. It is at the same time in a position of greater potential strength and a position

of greater vulnerability than was the Soviet Union in the 1920's and the 1930's, when it was forming up the foundations for its present power situation.

This connection to Asia can be illustrated by examining two marginal or extreme cases. Assume for a moment that the Chinese Communists were wholly successful in their First Five-Year Plan, and that they proceeded without hitch to establish a firm basis for industrialization and sustained growth in China by the end of this decade. Assume that over this period the United States failed to solve Japan's balance of payments problem, and that India and the rest of Southeast Asia remained in a state of relative economic stagnation. It is clear that the politically conscious figures in Free Asia are aware that the fulfillment of the great aspirations they hold for their countries and their peoples hinge on rapid economic progress. Under the circumstances of my first extreme case, I think we could assume that Chinese success of a clear-cut kind, and clear-cut Free World failure in the field of economic growth, might well result in the passage of Asia into Communist hands without the movement of any Chinese troops across China's borders. Free Asia would say in effect: "After a decade or so of effort, it has been demonstrated that, whatever the moral and human virtues of democracy may be, democracy does not provide in the Asian setting a framework for rapid economic growth; and rapid economic growth is the indispensable foundation for our long-run aspirations." And in a mood of greater or less reluctance, we might assume in this abstract case, from what we can now establish of the Asian mind, that Communism would take over almost by default.

Now let us look at a more hopeful and equally extreme marginal case. Let us assume that India makes a great success of its first two Five-Year Plans, building onto its agricultural program, which is now ending its first phase, a second wave of industrial development. Assume, in short, that India moves over

this decade into a stage of sustained economic growth by the political and social methods of democracy, her policy demonstrating that rapid economic growth and democracy are compatible in Asia. If, under these circumstances, China should experience a flat failure in the First Five-Year Plan, requiring an abandonment of its industrial target, the impact of the relative Indian and Free Asian success can be assumed to be considerable on the whole course of events within Communist China.

The great Asian competition is not confined merely to the question of economic growth rates. The political and social health achieved in Free Asia is the prime determinant not only of whether Peking can successfully undertake subversive operations in Southeast Asia, but also of whether in fact Peking will attempt such operations. There is every reason to believe that Peking's view of its own capabilities for enlarging its power is directly geared to its judgment concerning the state of political, social, and economic — as well as military — health in the Free World.

From insights of this kind, we would draw the following conclusion: the degree of success achieved by the Free World in Asia — military, political, and economic — will help determine the course of events in Communist China. The Free World's performance will first determine for the Communist leadership whether the game is worth the candle. It will determine, in other words, whether expansion is possible, and at what cost. It will determine, by affecting that variable, whether or not the cost and the purposes of the Sino-Soviet alliance in the long run make sense.

The Free World's performance will, secondly, determine for many Chinese, as well as peoples in other under-developed areas, whether democracy can cope with the gigantic problems they face, or whether Communist brutality is alone compatible with rapid economic progress.

How does the equation now shape up? Well, in more or less strict form — which I urge you strongly *not* to take seriously — we may put our views somewhat as follows:

The future of Communist China hinges on four variables:

- (1) the degree of effective unity of their leadership;**
- (2) success or failure of Peking's internal policy;**
- (3) the course of Sino-Soviet relations; and**
- (4) the relative success or failure of the Free World in Asia.**

Looked at more closely, however, two of our independent variables become dependent; that is, the effective unity of leadership and the course of Sino-Soviet relations will be largely determined by the success or failure of internal policy in relation to the Free World performance in Asia. A success of internal policy in Communist China, in relation to the performance of the Free World in Asia, is likely to maintain the unity of the leadership and the present pattern of Sino-Soviet relations. A success of the Free World in Asia, in relationship to Chinese Communist internal policy, is likely to weaken the unity of the leadership and induce disruptive tendencies in the Sino-Soviet tie.

Here, in skeleton style, with brutal and false clarity, is our whole thesis about Communist China and Free Asia. Against this stylized background, let us turn back to the key substantive questions I posed at the beginning of the lecture.

Bearing in mind this model, how can we answer Question One? What light, if any, do they throw on the question of whether or not Communist China will initiate a major war against us?

Here I would have three observations. The first observation is that, looked at from the point of view of Peking, and watching the evolution of Peking's policy since it came to power, I think we can say that at this moment Peking does not wish to initiate a major war with the United States. It is engaged in a massive economic development effort, on which all of its future ambitions

hinge, and I believe it is prepared to give that internal effort top priority. It does not follow at all that they will cease probing and trying to expand their power by means short of major war, but they are likely to chose methods which are not likely to be costly in terms of real resources. In short, I would say that the priorities in Peking make it unlikely that they will chose to initiate major war, and that they are unlikely to initiate even a second Korean-type operation, which was short of major war but costly in terms of real resources.

The second observation is that on the whole, at this stage, Moscow, which exercises very strong powers over Peking's military decisions, is not in a mood for major war, and this is likely to strengthen the case for limited aggression in Peking.

There emerges from our analysis, however, one possibility of a war initiated by Peking which I think we should bear in mind. Let us assume that the internal policy fails, in the sense that agricultural output sags away and they cannot cope with the rise in population, the requirement of increased imports, and so on. My hunch is that there might under such circumstances be a split in Peking. There might be some who would say: "We are in desperate need of added agricultural output. Across our borders in southern Vietnam, in Thailand, in Burma, there are food surplus areas. We will take all the risks involved and light out with our ground forces, which are ample, to seize those areas." I think such an act of desperation would probably be opposed by some in Peking, who, under these assumed circumstances, would say: "Let us change our domestic policy."

Should a situation of this kind develop in Peking, with two groups debating, I think the outcome would depend very much indeed on what the posture was of the external world, and notably the United States. If the United States were weak, if its alliances were split and unable to stand the strain, these aggressive groups would be strongly tempted; and the aggressive course, if it showed

any possibilities of success, might well look attractive. If the Free World were strong and purposeful, if the only outcome of the effort would appear to be military defeat, then those advocating a change in internal policy might win. I think that it is always wrong to change, or face any problems of adjustment. I also think that this potentiality, while it is not even on the horizon right now, is one that we should not rule out of our forward thinking.

What about the second question — “Should war come about from any cause, what are Communist China’s capabilities?”

Well, this is not the occasion, nor am I the source, to give you a lecture on the strictly military capabilities of Communist China. I would assume, as a layman, that they would have powerful and growing ground forces, of increasing technical capabilities. I would assume that they have limited air forces and extremely limited naval forces, the maintenance and scale of operations of which are dependent in a very direct way on Soviet aid, guidance, and spare parts. In short, they can move their ground forces with some degree of quasi-independence, but that is not so with air or naval forces. I would assume that in any major war, they would be dependent for a decision in that war on the performance of the Soviet Union versus the West; that is, they would be an extremely important but secondary partner in such a war.

There is one further aspect of vulnerability and capability which I would assume — again without current professional knowledge — and that is that their major industrial installations would be highly vulnerable to strategic air attack; but that in the pipeline — industrial, and military, and ultimately available from small workshops — would be a supply of ammunition and small arms sufficient to permit them to persist in ground force effort even if their major industrial sector were wiped out.

The only point that I would underline here is the meaning of the two forms of dependence on the Soviet Union. As I say,

the first is that Communist China in a world war could not count on forcing a decision on its own. From our point of view it could play an extremely painful role, using its ground forces freely in Asia. The second point I would make is that in bringing such a war to a conclusion, the decisive element from the point of view of China would be whether or not the Soviet Union was winning. On the assumption that it was losing, I would assume that Communist China would seek terms. This problem of seeking terms in a war against Communist China is one which I would commend to our forward military planners, because I believe it to be likely — again from a layman's point of view — that in a war with Communist China we could not envisage as our terms "unconditional surrender." "Unconditional surrender" demands that one be prepared to put one's military police throughout a country, that one be prepared to take over physically; and I think that this is ruled out in a war between the United States and China. It therefore means that at some stage we must look to a group prepared effectively to assume responsibility for the ruling of Communist China, on terms short of unconditional surrender, whose program and performance characteristics will meet American interests.

In short, I think that as far as war planning for Communist China is concerned, political planning holds a place equivalent to military planning. This conclusion flows from a judgment, which may be wrong but which as a layman I hold, that unconditional surrender is an inappropriate objective in a war against so vast and complex a society.

The third question: "What are the intentions and capabilities of Communist China with respect to expansion of its power by means short of major hostilities?"

Here, I think we must assume that Chinese Communist intentions at the moment are unlimited; that is, they would like to expand their power in Asia to the maximum. As far as capabilities are concerned, however, at the present moment they appear

to be operating on the view that they will use all methods for expansion which do not cost sufficient resources to interfere with their domestic industrialization program. This limits the techniques, and therefore limits the capabilities available to them.

They are at the moment pursuing their expansionist efforts in Asia by: first, subversion — carried on in Asia through the Communist Parties in Asian countries; second, subversion, carried out through certain elements in the overseas Chinese in Asia; third, by their general posture, as the leading power in Asia and the ideological example for Asia, notably in its industrialization effort; and, finally, through the game of diplomacy in which Peking is trying to prevent the United States from making a tight alliance in Asia, and is trying to draw toward Peking, as far as it can, India, Burma, Indonesia, and the rest. What we face, then, is the technique of erosion and ideological and diplomatic seduction; plus, of course, the question of the inshore islands now held by the Nationalist Chinese, and the question of Formosa.

The fourth question: “What are the prospects for the maintenance of Communist Power in Communist China?”

There we come back to a discussion of the stability of the top leadership and the success or failure of internal policy, which we considered earlier.

Finally: “What are the prospects for change in the nature of Communist power in China favorable to the American interests?”

Again our line of argument comes out at about the same place; namely, that if they are denied the possibility of expansion, if the ideological leadership in Asia is effectively seized by the Free World; if they are left — in short — to sweat it out with the implications of the Sino-Soviet Pact of 1950 and the implications of the new general line formulated at the end of last year — then over a period of time there is some reason to believe, or at

least to hope, that developments favorable to the American interests might occur, whether or not they lead to a clean overthrow of Communism in China.

In concluding, I should like to make an observation not on Communist China but on the problems of strategic intelligence methods. I have used today the device of a formal equation, fully aware of its limitations and of the extent to which it could be misleading. I have done this for two reasons. First, it is worth laying out your thought in this over-simplified form to make clear what your hypotheses are. For it is extremely easy to lard over an intelligence appreciation with words which cover the intelligence officer's track, and save him perhaps some future embarrassment. But when the analytic lines of an intelligence argument are fuzzed up in this way, they yield a picture which not only lacks intellectual clarity but lacks something vastly more important — it fails to give to the man with operational responsibility his leads to action. And the purpose of intelligence is to permit us to act intelligently. So this exercise, in laying bare in the crudest and simplest way a line of thought, I commend to you not as a final form of intelligence appreciation, but as one way of forcing clarity about your argument.

The second reason is perhaps more revolutionary. If you were to receive a briefing, as perhaps you should arrange to do, from a responsible intelligence officer from Washington on Communist China, it would differ from mine this morning in one important respect above any other. There would almost certainly be no discussion of one of our variables — the direct and indirect influence on Communist China of the Free World's performance in Asia. Intelligence at the strategic level is normally excluded firmly, by common law and administration, from discussing our own intentions and our own capabilities and our own potentialities.

Now in a power struggle of the kind which is now proceeding in the world, it is easy to forget that what we do, and

what the enemy believes we can and will do, is a major determinant of what he does. In my view, it is impossible to do good strategic intelligence in the 'cold war' without bringing to the center of the stage the Free World's performance. One of my aims this morning was to dramatize that simple and obvious fact. I believe, in short, that strategic intelligence is a problem in war gaming rather than one of simple research on the enemy.