

# The Making of America's China Policy

**I**T WAS A FRUSTRATING DAY for James Reston, vice-president of the *New York Times* and minister without portfolio for America's journalistic mandarinat. Landing in Peking on July 12 with the thought of perhaps claiming new diplomatic territory as well as scoring a journalistic coup, he was told by the head of the information service of China's foreign ministry that Henry Kissinger had just left Peking and, it would shortly be announced, President Nixon would visit the People's Republic of China next spring. It was at this moment ("or so it now seems," Reston later wrote) that he experienced the first stab of pain in his side that would land him in the hospital for an emergency appendectomy the next day.

Before leaving New York, Reston had received a letter from Dr. Oliver McCoy, president of the China Medical Board, an institution John D. Rockefeller had created to run the medical college he had built there in 1916 and which was nationalized by the Communist government thirty-five years later. Dr. McCoy told Reston that if he should happen to notice a "large group of buildings with green tiled roofs not far from the southeast corner to inquire what those were." The old medical college had now become the Anti-Imperialist hospital, and it was in this unlikely setting that Reston had the consolation of at least being the first member of the American establishment to receive acupuncture treatments in the new China.

If such ironies dogged Reston's trip, they were also present in the larger drama that had been played out two days earlier amidst sumptuous 17-course dinners. For Henry Kissinger—the man who masterminded Nixon's new diplomacy in China and scooped James Reston—had once been the foreign policy advisor of the President's arch-rival for control of the Republican Party, Nelson Rockefeller. He was a strange *alter ego* to bear the tidings of American "friendship" which was being offered after twenty years of unrelenting official hostility by President Richard Nixon. And Richard Nixon was himself an unlikely president to be

making the offer. For this was the man who, in the words of Reston's *Times*, had "led the political clamor of the China lobby to ostracize the Chinese Communists from the community of 'peace-loving' nations" two decades ago and had earned spurs in the McCarthy purges by baiting the China experts who were then urging no greater accommodation to the revolutionary government than that for which Kissinger's secret mission had now set the stage.

These unexpected juxtapositions and ironic turns at the surface of policy are no mere coincidences. By their very incongruity, they suggest the presence of deeper continuities underlying Nixon's new approach toward the mainland. For despite sharp tactical lurches and even unforeseen veerings off course, there are few areas where the significant patterns of policy and personnel have been more stable in their way than in the field of China affairs. Nixon's new gesture, which looks almost impulsive and shrewdly tied to such political events as the 1972 election, has in fact been a bipartisan strategic planning assumption for a long time now among those who have always determined America's posture toward China. The *Times* itself pinpoints 1966 as the moment when Nixon realized that "no future American policy in Asia could succeed unless it came 'urgently to grips with the reality of China.'" All that was left to the White House quarterback was to choose the right political moment: "And just as his popularity at home dipped to a new low, with the Vietnam controversy swirling anew all around him and the North Vietnamese pressing for a quick and final deal to drive him out of Saigon before the end of 1971, Mr. Nixon lobbed the long one."

## [CHINA AND THE AMERICAN EMPIRE]

**S**INCE THE CLOSING OF THE CONTINENTAL frontier at the end of the 19th century, China has occupied a special place in the self-conception of an American world role. Many historians have even designated America's subsequent global expansion as the pursuit

by David Horowitz

of "open door empire," citing the famous diplomatic notes issued by Secretary of State Hay to warn the European powers against compromising the territorial integrity of China, and the principle of free access to her vast markets. Woodrow Wilson made probably the most candid observation on these notes, when he described them as "not the open door to the rights of China, but the open door to the goods of America." But in the huckstering vision of American statesmen, even the vulgar economism of this conception remained somehow noble. As a U.S. ambassador to China wrote in 1914, "Any development of enterprise which increases American commercial interest in China is incidentally favorable to Chinese independence."

The messianic effort launched in these years to bring salvation to China and the world in the form of American ideals and institutions was integrated not only in its conception, but in its conceiver as well. One of the most significant emblems of this integration, then as now, was the name "Rockefeller," which was associated not only with the early missionary embassies and philanthropic aid programs, such as the converted medical college where James Reston's appendix was removed, but with politics, education and commerce as well.

From the outset, Rockefeller's Standard Oil Company and its sister financial institution, the First National City Bank, were the largest U.S. business interests in China. At the turn of the century, the Chinese were already buying 100 million gallons of kerosene annually, more than 90 percent of which came from the famous Trust. As merchant princes abroad, the Rockefellers appreciated the importance of working closely with the U.S. embassy. "One of our greatest helpers," noted the oil magnate in his memoirs, "has been the State Department in Washington. Our ambassadors and ministers and consuls have aided to push our way into new markets to the utmost corners of the world." This was a partnership that in one manifestation or another was to remain a dominant force in the formation of U.S. China policy for the next half century and more.

#### [AMERICA IN PRE-REVOLUTIONARY CHINA]

**A**MERICA'S EMERGENCE AS A WORLD power during the First World War had been accompanied by a new if not yet fully accepted internationalist posture in foreign policy. In the immediate postwar years business globalists, who were already administering the world's credit, began to develop planning groups like the Council on Foreign Relations, and research associations like the Institute for Pacific Relations, towards the inevitable day when Americans would be administering the world's peace as well.

From its creation at a YMCA conference in Honolulu in 1925 until its destruction by McCarthyism twenty-five years later, the Institute of Pacific Relations was the center of organized research on the Far East. So extensive was its monopoly of knowledge that during the Second World War virtually all the OSS (intelligence) chiefs with jurisdiction in Asia were IPR members and in 1945, the Institute was duly awarded the Navy Certificate of Achieve-

ment for providing intelligence in the Pacific theater of operations. Both the initial capital for the Institute and the core of the subsequent financing was provided by the Rockefeller Foundation, and accordingly a Rockefeller trustee was made chairman of the IPR board. Among other significant trustees of the Institute (and guardians of the Asian intellectual establishment) were Arthur Dean, a law partner of the Dulles brothers and attorney for Standard Oil, C. B. Marshall, a vice-president of Standard Oil, and William G. Brady, chairman of the National City Bank.

In addition to businessmen and the traveling researchers of the IPR, China was criss-crossed during the interwar years by a network of Christian missionaries, public health, medical and agricultural experts. In a technologically backward and poverty-ridden country like China, this group of educated Americans constituted a vital nucleus; its "technical" advisors were to be found throughout the Nationalist administration and even Chiang Kai-shek's chief advisor on agrarian reform, the critical issue in the political struggle then being waged, was a Christian missionary.

During the turbulent thirties in China, this network of Americans generally strove for a "gradualist alternative" to Communist revolution. Their effort was organized around public health, educational and agricultural programs, and was the work of several groups, including the Christian colleges, the National Christian Council, the YMCA, private Chinese institutions, international relief agencies and the Rockefeller Foundation, the most strategically influential of the lot. The community nature of their efforts was also strengthened by a unifying presence behind the scenes. For the chief funder of the IPR, and a principal financial angel of the YMCA, the Protestant missions, and private Chinese institutions as well as the Chinese famine relief agencies was John D. Rockefeller Jr., whose father half a century earlier had begun the "cultural" investment in China by creating the chief source of the rural reconstruction effort's public health expertise: the Peking Union Medical College. This institution was the beneficiary of thirty million dollars of Rockefeller largesse, an incredible sum at that time, making it the premier institution of its kind in the Far East.

#### [DEALING WITH THE REVOLUTION]

**A**FTER THE JAPANESE ATTACK ON Pearl Harbor, the U.S. involvement in China's civil war escalated. The men who staffed the cultural and missionary communities before the war now went to work in the OSS and the State Department to aid Washington's efforts both to prevent China's submergence in the Japanese Empire and to maintain her pro-Western orientation now threatened by Communist revolution. With the end of World War II, this process accelerated: between 1946 and 1948, Washington sent more than twice the sum in military and economic aid to Chiang's battle coffers than it had made available to the Generalissimo for the war against Japan.

On July 27, 1949, with the Communist armies rolling towards the Nationalist capital of Chungking and Chiang's armies surrendering without using their American-purchased arms, Secretary of State Dean Acheson appointed a three man board to undertake a review of U.S. policy

towards China. The three China advisors reflected the composition of what was at that time the U.S. China lobby. One was Raymond B. Fosdick, president of the Rockefeller Foundation. Another was Ambassador-at-large Philip C. Jessup, who was soon to become a prime target of McCarthy's attacks and who represented, though not necessarily in any formal sense, the other powerful institutional foundation of American internationalism: the banking and investment House of Morgan. A protege of Elihu Root (who was himself an attorney for Morgan and Carnegie and a former Secretary of State), Jessup had also been a key figure in the Institute of Pacific Relations (as had Everett N. Case, the third man on Acheson's board).

Two months later, as the People's Republic was proclaimed in Peking, these three men and other representatives of America's China establishment were called to the State Department for a confidential (now de-classified) three-day roundtable on U.S. policy towards the new regime. This panel, which was chaired by Fosdick, included the leading China experts of the Institute of Pacific Relations, several businessman-trustees of the Institute, the head of the International Missionary Council and a philanthropist, John D. Rockefeller III.

Among the guidelines it suggested were two that have become classic in the first-stage U.S. approach to revolutionary regimes, and which are unusual in the case of China only in that they endured far beyond the point of utility. The first of these strategies was the attempt to contain and isolate the new regime, withholding recognition with the idea of bringing about its collapse. This was put forward by Mr. Rockefeller: "On U.S. trade with China," he observed, "my own reaction is that it should be limited. It seems to me that the fastest way to contain the Communism [sic] is to discredit it in the eyes of the people of China. It seems to me if the economy worsens, that this will arouse opposition to it, and as I see it, the opposition is essential if new leadership is to develop in China, and I do feel that this new leadership is tremendously important."

Of course, cutting off a poverty-stricken country of 500 million from the world economy with the idea of increasing its wretchedness to the point where the people would cast up a leadership more pliable towards U.S. interests had some drawbacks from a propaganda point of view: "I appreciate that curtailing trade will be a source of propaganda for the Communists to use. They will say we are starving the Chinese people by not continuing our trade, but it seems to me whatever position we take in China, the Chinese Communists will develop propaganda that will be against us, and certainly if by trading with China and the Chinese people generally, we do help conditions there, the Communists will be the last to give us any credit for it." No disinterested philanthropist this!

Another theme emphasized at the roundtable was the strength of the nationalist revolution in Southeast Asia and the importance of exploiting that revolution in the struggle with Communism. Professor John King Fairbank, today the most eminent China scholar in the country, was also at the conference. At the time, he observed: "The line of anti-Communism in Asia is not a very good line. It is a subjective projection of our own view. . . . It is much better to be

anti-Russian. . . ." A year earlier Fairbank had correctly observed in an IPR publication that "China's Communist movement has been for two decades in the hands of Chinese." However, the theme of Soviet Russian dominance of China was soon taken up with a vengeance by the State Department, and especially by Assistant Secretary of State for Far Eastern Affairs Dean Rusk: "The Peiping regime may be a colonial Russian government—a Slavic Manchukuo on a larger scale. It is not the Government of China. It does not pass the first test. It is not Chinese. . . ."

Dean Rusk was himself an important focus for the threads of the story of U.S. China policy and its architects. Together with his mentor John Foster Dulles (who at that time was the chief Republican advisor on bipartisan policy formation), Rusk managed the containment of China for the better part of the next two decades, stepping aside only in 1968, when the Nixon-Kissinger team took over. In "private" life John Foster Dulles had a special interest in Asia, serving both as an attorney for Standard Oil and chairman of the board of both great philanthropic foundations of internationalism, Rockefeller and the Carnegie Endowment; and when Dulles moved to the State Department in 1952, Rusk left Washington to become president of the foundation created by John D. Rockefeller.

#### [MC CARTHYISM AND CHINA POLICY]

AS ALREADY SUGGESTED, THE POLICY of isolating China and applying pressure to the regime to promote its collapse was not an unusual way for the U.S. to cope with successful revolutions. Sixteen years had elapsed before Washington recognized the revolutionary Soviet government in 1933, and it has been eleven already since there was a U.S. Ambassador in Havana. But in the spring of 1950, domestic and international events intervened to lock China policy into something even more rigid than the usual (or utilitarian) limits of containment and to give a good part of the national issue back to Peking.

Internationally, the Korean War erupted to precipitate a change in the official U.S. attitude toward the island of Taiwan, where the rump of Chiang Kai-shek's defeated Nationalist Army had retreated. President Truman had pledged on January 5, 1950 "not to interfere in the present situation," and not to "pursue a course which will lead to involvement in the civil conflict in China." But when the fighting broke out in Korea on June 25, under circumstances that remain obscure to this day, Truman interposed the Seventh Fleet in the Taiwan straits, thus intervening directly in the civil war and creating what is today the thorniest obstacle in the way of a new relationship with the Chinese mainland.

In addition to these international complications, the spring of 1950 witnessed the political emergence of Senator Joseph R. McCarthy, who achieved instant notoriety with his charges that the State Department had been infiltrated by Communists and had "lost" China as a result. One feature of the McCarthy attack which was certainly not lost on the group of upper-class custodians who had watched over China policy till then was its populist element. For McCarthyism was distinguished among American witchhunts, in that "it was a calculated attack on the loyalty of mem-

bers of the Anglo-Saxon establishment rather than members of minority communities" (E. Digby Baltzell, *The Protestant Establishment*). McCarthy drew his support from ethnic outsiders (the Catholic Kennedys for instance), workers and small businessmen; his political strength lay in the "isolationist" wing of the Republican Party, representing midwestern, western and southern industrialists. His targets, on the other hand—Dean Acheson, George C. Marshall, Philip Jessup and Charles Bohlen (not to mention the just convicted former president of the Carnegie Endowment, Alger Hiss) were all Social Register aristocrats and charter members of the Council on Foreign Relations set. Whatever else McCarthy may have accomplished, he made it very difficult for these sophisticates of modern empire to create a flexible and effective policy towards China for the next two decades—at least during Democratic administrations.

While the election of Eisenhower in 1952 resulted in a settlement of the Korean War which Truman would have found politically impossible, no similar adjustment of China policy took place. If Alger Hiss's friend, Dean Acheson, had been vulnerable to McCarthy and the McCarthyites on the China question, his successor John Foster Dulles (who as chairman of the Carnegie Endowment was Hiss's boss) was not, and it was Dulles who carried the hard line in Asia for the next seven years: Dulles did not represent a unified establishment on the question, however, and as early as April, 1954, a tactical disagreement within this group over policy towards China was highlighted by an article which appeared in *Foreign Affairs*, the prestigious house organ of the Council on Foreign Relations. The article was authored by Arthur H. Dean, who succeeded Dulles as head of the Sullivan and Cromwell law firm, and who, as special deputy to Dulles, had just negotiated the armistice in Korea for the U.S. government.

In his article, Dean urged the recognition of China and the adoption of a "two Chinas" policy for handling the representation problem in the U.N. Dulles, however, was still adamantly set on the old strategy: isolation of the Communist regime to bring about its collapse. Therefore, the confrontation in the Taiwan Straits continued, with open military clashes occurring in 1955 and 1958. In that latter year, the State Department issued a policy memorandum which declared that "one day [Communist rule in China] will pass" and by "withholding diplomatic recognition from Peiping [the U.S.] seeks to hasten that passing." There was, in short, a basic difference in the strategic assumptions of Dulles and Dean as to how successful the traditional attempt to strangle revolutionary regimes at birth might still be in this case.

#### [RE-THINKING CONTAINMENT]

**I**F THE MCCARTHY SYNDROME MADE it extremely difficult for the Democrats to make a political issue out of Dulles' rigid and risk-filled confrontation policy in Asia (one recalls how even Kennedy's feeble efforts during the 1960 debates were parlayed into "soft on Communism" charges by Nixon), it did not preclude the gradual formation of an elite consensus as to the necessity of a

shift. When the time came for an accommodation to the reality of Chinese power in Asia, the outlines of a new policy would already have been agreed upon. To implement such a shift of course would require a figure who was invulnerable to the old McCarthyite charges: Richard M. Nixon, for example.

The organization to undertake such a task was inevitably the Council on Foreign Relations, which had been created in 1921 with Rockefeller and Carnegie funds, and had since become a permanent caucus and strategic planning association for the establishment internationalists. Composed of the business and foreign policy elite, including such crucial names as Morgan, Rockefeller, Harriman, Root, Hughes, Stimson, McCloy, Lovett, Dulles, Lippmann, Stevenson, Bundy and Kissinger, the Council has been unrivaled over the decades in setting long-term U.S. policy goals.

In 1958, it organized a two-year "study group" on Communist China, which undertook a massive review of the strategic assumptions of U.S. policy. The group included, among others, the presidents of the Carnegie Endowment and Rockefeller Foundation (Joseph E. Johnson and Dean Rusk), several former State Department planners, representatives of the Joint Chiefs and the CIA, and Arthur Dean. The volume which emerged from the group (*Communist China and Asia: Challenge to American Policy*) echoed Dean's previous conclusion which Dulles had disputed: "there is little to sustain the belief that non-recognition can contribute significantly to 'hastening the passing' of the Peking regime, as the State Department maintains"; it proposed instead a "two-Chinas" strategy of containment without isolation.

In 1962, an even more ambitious Council group was formed (undertaking an eleven-volume, three-year study), funded by Ford and headed by retired CIA chief Allen Dulles and Robert Blum, a former CIA operative in Indo-China, and president of the CIA-funded Asia Foundation. The group also included Carnegie Endowment head Johnson, and Arthur Dean. This time the recommendations, as embodied in Blum's summary volume, were more decisive: "American objectives in Asia and the stability of the area will be difficult to achieve if the gulf between the United States and Communist China continues to be as wide as it has been... we should be prepared to recognize the government of the People's Republic of China as the government of China and to establish diplomatic relations with it, if and when it becomes clear that our action would be reciprocated and would have some promise of yielding useful results."

It is probably not mere coincidence that Richard Nixon became convinced of the need for American policy to come "urgently to grips with the reality of China" just about the point, according to the *Times*, at which the CFR study concluded its sessions and published its findings. Nor that, at the same time and in the midst of escalating the Vietnam war, Lyndon B. Johnson gave his famous "reconciliation" speech (the very incongruity, again, was instructive) blaming China's leaders for her isolation, but emphasizing that "lasting peace can never come to Asia as long as the 700 million people of mainland China are isolated."

This emerging consensus, which was to achieve its most



Peking Union Medical College

impressive moment when the China policy was changed without significant public attack, would be more mysterious if elaborate steps had not been taken to tie up the entire field of China expertise and policy advice seven years earlier.

[FORMING A CONSENSUS]

**I**N 1959, AT THE BEHEST OF the Ford Foundation, a conference of academic China scholars was convened at Gould House, New York, to discuss the future of contemporary China studies. Attending the conference were sixteen China scholars, seven of whom were members of the Council on Foreign Relations. Also present were representatives from RAND and the State Department, and four from the Ford Foundation, including three CFR members. One of these was A. Doak Barnett who had led the original 1958 study group on China. Also present

from the group was John M. H. Lindbeck, who was attending Gould House as an "academic," having just left the State Department to become associate director of Harvard's prestigious East Asian Research Center. At Harvard, Lindbeck was entrusted with special responsibility for liaison with foundations, government agencies and national committees.

On the basis of a proposal drawn up by Barnett after the Gould House meeting, the Ford Foundation invested an incredible \$30 million in the China field over the next decade, matched by a supporting \$40 million in university and government funds. (This was a field that sported only 100 graduate students in the entire country in 1960.) The programs thus funded were designed in accord with the "area studies" concept, which had been developed in the OSS during the war, and were concentrated in centers at four schools—Harvard, Columbia, Berkeley and Seattle. They were set up along lines that had been laid down for the

Russian Institutes created during the early cold war years (see Horowitz, "Sinews of Empire," RAMPARTS October 1969).

The same policy orientation in the "academic" research and the same well-structured channels to the intelligence and military communities which had characterized the Russian area studies programs were evident in the new China field. The same centralization and control were also apparent in the creation of a "Joint Committee on Contemporary China" to oversee and integrate the field on a national basis. Members of this committee included such government-oriented intellectuals as Robert Scalapino (CFR), Zbigniew Brzezinski (CFR), Lucien Pye (CFR), as well as Lindbeck and Barnett. The presence of these latter two State Department alumni at the very top of the academic China framework—they both served as chairman of the Joint Committee and were heads respectively of the Harvard and Columbia Institutes—emphasized the political nature of the whole enterprise. (Lindbeck's academic credential was a Ph.D. in theology; Barnett, who had only an M.A. in political science and could not read Chinese though he had spent many years in the Far East, was given a full professorship at Columbia in 1961, occupying a million-dollar chair, created by Ford especially for the occasion.)

Another result of the sophisticated political planning in Ford's academic philanthropy was the healing of the breach that the McCarthyite witchhunts had created in the field ten years earlier. This was an essential step in forming a consensus approach among the China experts. John King Fairbank (CFR), president of the Association of Asian Studies, who had presided at the Gould House conference, had been a victim of the investigating committees. In a calculated gesture Fairbank arranged to have George E. Taylor (CFR), the right-wing head of Seattle's Far Eastern Institute who had supported the witchhunt (and been ostracized in the field as a result), appointed the first chairman of the Joint Committee on Contemporary China.

In June 1966, having reknit the unravelled threads of China scholarship and expertise, the Ford Foundation reached into its pocket and created a National Committee on U.S.-China Relations to mobilize citizen support for a more realistic policy approach. (The first chairman of the Committee was Scalapino, the second Barnett.) Given the continuing Vietnam escalation and the rebellions at home, it was nearly three years before the Committee held its "first national convocation" at the New York Hilton, with an appropriately bipartisan, consensus-making rostrum of speakers. These included Democrats and Republicans, professors (Fairbank and Taylor) and bankers, right-wingers and liberals, and of course the inevitable representative of the philanthropic community, who summarized in his own person the continuity of interest in Asia—John D. Rockefeller III.

Rockefeller's brief remarks served as the introduction to the affair's headline speaker, Edward Kennedy ("like the boats he loves to sail—Senator Kennedy thrives on a fresh breeze"). In an ironic twist, considering his own advice at the State Department roundtable two decades earlier, Rockefeller observed: "For the past twenty years we have

had no relationships with mainland China at all. During this time our thinking about that great country has been dominated by fear, so much so that in the recent past many regarded it as virtually treasonable to even raise the question of rethinking China policy. This sort of rigidity has no place in a democracy. . . . We must come to think openly in terms of reasoned and enlightened self-interest."

#### [MULTIPOLAR ROULETTE]

IN LOOKING FOR REASONED self-interest in the current Administration opening to China, one need go no further than the Vietnam war, which Washington must terminate sooner rather than later, and on the most favorable terms it can get. Having learned from past experience with the Russians that "revolutionary" states can deal as "responsible" members of an international status quo in which they have a stake, Washington is clearly hoping to get from the Communists in Peking what it can't from the NLF in Paris in the way of a settlement. On learning of the Kissinger trip, the Vietnamese pointedly warned against any big-power attempt to settle Vietnam's destiny over their heads, as was done previously in 1954. But it seems evident that Nixon's policy guru, Kissinger, is himself convinced of the feasibility of precisely such a development. In an essay on "The Vietnam Negotiations," published in the January 1969 issue of *Foreign Affairs* (reminding us that Kissinger launched his political career as a Council on Foreign Relations protege), he argued, "Hanoi is extraordinarily dependent on the international environment. It could not continue the war without foreign material assistance."

Whether the calculation will work remains to be seen, however. We have moved imperceptibly into what strategists are calling a "multipolar" world. Nixon's gambit to bring China officially into the global arena is not only designed to buy time and room in Vietnam, but to counter the Asian maneuvers of Russia and of Japan, the new giant of the Pacific in military and economic terms. In a gesture rich in ironies, Russia has already indicated that it will not back a new international conference on Indo-China over the heads of the Vietnamese.

For their part, the Japanese, who have begun to emerge as the third industrial and military power of the world, and the chief international competitors for American business, do not see the event as the great diplomatic victory pictured in this country. Their initial—and therefore revealing—reaction to the Kissinger embassy (which was not disclosed to them as allies beforehand) was to regard it as a bid to make the U.S. and China arbiters of the destiny of Asia, and as a "surrender" by Nixon to Mao. Though certainly overstated, this view did draw attention to the clear risks of the concessions that Nixon has been forced to make, as well as the risks he has incurred, both of which have been overlooked in the West. With no immediate *quid pro quo* from Peking, Nixon has made any further escalation of the Vietnam war extremely difficult for his Administration (and probably politically suicidal); he has greased the skids under Chiang Kai-shek, and he has destabilized the alliance with Japan—a critical factor in the Asian power puzzle.

The risks, however, are calculated, and in the short run may pay off. "Kissinger is a devoted student of the balance-of-power concept," a senior member of Japan's Defense Agency told *Newsweek*. "Now he's cleverly closed off our options. We have no alternative but to follow the U.S. lead." The same report, however, ends with a Washington official's speculation that Japan would probably "go nuclear in order to get some independent leverage in Asia." From such clever balance-of-power politics, wars have frequently resulted.

[POLICY AND OIL]

ONE SHORT-TERM OPPORTUNITY which the Nixon-Kissinger game plan seems designed to seize, however, is a front-line position in the current oil rush now in process in the Asian seas. Geologists have known for twenty years about the subsea oil fields of East Asia, which were described as "one of the world's richest oil pools" at a 1970 conference in Singapore sponsored by the leading international oil bank, the Chase Manhattan. At that conference, the bank's president, David Rockefeller, estimated that over the next decade, oil companies would have spent \$35 billion on exploration of the field.

The current scramble among oil giants and their governments seems to have been triggered by a combination of events: the pro-Western coup in Indonesia which opened that country's oil resources to foreign exploitation, the winding down of the Vietnam war, and the trouble in the Middle East which threatens profit margins and supplies in the richest of the world's oil-producing areas.

At the time of the Kissinger visit to Peking, the continuing uncertainties in Southeast Asia were becoming an increasingly pressing concern for officials dealing with the oil problem. In particular, the uncertain outlines of the Vietnam settlement, the shaky position of the Saigon government, the lack of diplomatic relations between the U.S. and Peking were jeopardizing the U.S. position in the oil rush. (Both Peking and the NLF had warned the U.S. that they would regard as illegal any concessions signed by Chiang Kai-shek or the Saigon regime.)

As the trade journal *Petroleum Engineer* observed recently: "The projected work pace for all of Asian Pacific [sic] could turn out to be woefully conservative, depending on how long it takes to settle the war against the Communists in Vietnam. If and when the U.S. wins its objectives there, oil exploration conceivably could be successful enough to turn that part of the world into another South Louisiana-Texas-type producing area. This would be one of the biggest booms in the industry's history. It all depends on the Vietnam war, how long it takes to get the job done and how well the job is done."

As if to emphasize the fluidity of the situation, the French made a bid to supervise the tender for oil concessions for the Vietnamese, and the Saigon government was at first favorably disposed. In the *N.Y. Times* account of this move, an American oil man, representing "one of the world's most powerful" companies, was quoted as threatening to use his company's influence in the U.S. Congress to

block or reduce economic aid if Saigon did this. "I let [the Saigon Economy Minister] know if he let the French do this, then he could damn well ask the French for economic aid as well, because the Americans wouldn't come through with it." Recently 18 U.S. companies (including Standard Oil) and a dozen Japanese and European oil firms have applied for leases being offered by the Saigon government for concession areas covering the 160,000 square miles off the Mekong Delta.

The oil tangle, and related questions arising over disputed rights between U.S. oil concessionaires and the People's Republic of China in the East China Sea, were high on the agenda at a little-noted policy meeting of U.S. Ambassadors to East Asian and Pacific countries which took place on May 17-21 in the Philippines—six weeks before Kissinger's visit to Peking. Heading the top-level delegation to the conference from Washington was Undersecretary of State John N. Irwin, who, having negotiated with Peru over the nationalization of a Standard Oil subsidiary there, has gained a reputation as Nixon's "oil envoy." In private life, Irwin is a corporate lawyer for the Rockefellers and the Rockefeller Foundation, his law firm having been founded by Raymond Fosdick, the former president of the Foundation, trustee of the China Medical Board and one of Dean Acheson's special advisors on China policy twenty years earlier.

[THE NEW OPEN DOOR]

IF THE CAST OF CHARACTERS seems monotonously familiar in all these negotiations and maneuverings, that is an inevitable consequence of the stability of those long-term corporate interests and powers on which the American overseas empire is built and which American foreign policy, by the grace of such bodies as the Council on Foreign Relations, is designed to serve. The American "open door" empire was not born in war, nor will it end with this one. It is a more complex phenomenon. As long as the control of the world's resources and wealth is an open possibility for giant corporations with immense political and cultural power at their disposal, the pursuit of empire will continue. And the task of carrying it on will be transmitted through the generations. This was the unstated theme of an article appearing in the August issue of the *Atlantic Monthly* accurately titled, "Recollections of a Cultural Imperialist (j.g.)." The article was written by James C. Thomson Jr., son of a missionary family, former State Department official, professor at Harvard and currently a Council on Foreign Relations study group leader: "For the real China lobby within American society," he wrote, "this past spring has been a season of exhilaration. I speak of those scattered thousands throughout our country who once lived in China and are determined someday to return: the pre-1949 expatriates of the missionary, business, diplomatic, journalistic, and even military community, but especially their legions of sons and daughters. For twenty years now, inside and outside our government, nostalgia for a 'land of lost content' has afflicted a small but persistent cluster of Americans. 'Back-to-the-Mainland' is no monopoly of Chiang Kai-shek."

2/3/72

Dear Js,

Got to read the Horowitz "The Making of America's China Policy" early this a.m., before I have to take Lil to work. Really very good. I'd have more trouble condensing all he says that with a longer piece, intended as tribute to him. The kind of thing that bugs me is inevitable with short pieces when they reach an audience so largely composed of the young, with no independent recollection of the events described. Example: the references to the surrender of the American-equipped armies. My recollection is that surrender is worse than an inadequate description, that the reality was desertion, changing sides, from the generals down to lowest privates, with all their American equipment. If this is minor in a fine writing, it remains the kind of thing that annoys me in my own, where I feel that must make the most complete record possible.

One of the points impossible in such short space I hope is clear to the younger readers is the endless US pursuit of the idea whose time no longer can ever come, the strange political atavism that by withholding our trade and endorsement we can, somehow, tumble governments that have authentic popular support. We made with China the identical mistake we made with Russia, incapable of realizing that there was no single thing we could have done that made each more viable than might otherwise have been the case and in each case helped rally the people behind the government we sought to eliminate. Russian economic sufficiency was at least hastened by the lack of choice. What we would not let them have they dimply had to get for themselves. Having failed to learn from this experience, we made the identical mistake with China. And now with Cuba. No single thing could help rally the Cuban populace behind the Castro government than American policy and opposition. And in every case, while in no case did popular deprivation occur (by comparison with the past, the only meaningful one), it made the populace more willing to accept deprivation.

A minor point of curiosity, if you know or can reach Horowitz: is the C.B. Marshall, S-O vice Pres., father of or relative of Burke Marshall?

The middle paragraph in the first column of page 43 I do disagree with in that it suggests this policy was first tried with China. It is the identical policy that had by then failed with Russia, by then, in any honest assessment had to be recognized, from the Russian experience, as the policy guaranteed to be counterproductive. It is with the originality and absence of predicatable result that I disagree only. Again attributable to space limitations.

The stupidity of Rusk in the next column, that China was a Russian puppet, is an incredible one for a man with his SEAsia experience in WWII. Don Castor, who Rusk replaced on Vinegar Joe's staff, was always an ultra-conservative. He then clearly foresaw the futility of this policy, which the "liberal" Rusk did not.

For Tiger the reminder of what I had forgotten, the attack on JFK for suggesting a moderation, is valuable.

Rockefeller on "this sort of rigidity has no place in a democracy (46) reminds me of my own OSS past, when I was in charge of two parts of a memo prepared for Nelson to use at Chapultepec, the Mexican conference preparatory to the UN founding in San Francisco. The purpose of this study was to lay a foundation for a move to keep the military dictatorship out of the UN as the Argentine representative, as a level for ending that dictatorship. Nelson just didn't do it. Later it was decided to update this study as a "blue book" on Argentina. I was in charge of the military part, as I had been of it and the economic, each dealing with Nazi control. I rather shocked everyone by refusing to take the assignment and was, without fuss, relieved. I assisted it with only the arranging of mechanical resources the scholars were incompetent to arrange for themselves, like microfilm-reading arrangements. I predicted, quite accurately, that with the changed context this was to be regarded as an intrusion into Argentine domestic affairs once the decision had been made at Chapultepec, and that even the Communists would side with the fascists on this point. That is precisely what happened.

Hasty thanks, HW