China's Future

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Gentlemen:

I have been a student of one of your earlier speakers, Dr. T. F. Tsiang, the present Chinese delegate to the United Nations. I have also been a subordinate in the Embassy in China under Mr. W. W. Butterworth of the State Department, another of your earlier speakers. Consequently, I feel very fortunate that I appear here after them. I speak as an historian who has been associated with social scientists. I have had about twenty years practice in trying to deal with the Chinese scene in fifty-three minutes. This today, will be briefer and so I will make it a bit condensed.

I am concerned with the historical and social science approach to China and our China problems. And I want to do three things: first, characterize the old Chinese society; second, characterize the process of revolution which is now turning that society inside out; and third, comment, from that point of view, on American relations with China, past, present and future.

My main idea is that China is a different and unique social system or organization or society, a group of people living in a peculiar way of their own, and will continue to be so. And of course, I assume that the United States is also a unique social system which will continue more or less in its own pattern. Neither

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we nor they will change very greatly in our system of values, and the general trends of our development.

My second idea is that China is in a state of revolution, by which I mean gradual social change, not just disorder, but change in the structure of the society, how it is put together, how the individuals fit into it, what they expect, how they motivate themselves in their daily lives. And, of course, I have to note that the United States is in a process of change too. You may not call it revolution but still it is a rapid social change in this country with which we are more or less accustomed; we are developing. So these two societies are both moving along in streams of development.

Now a third idea that I would put forward is that China is obviously a factor in American security. It is desirable to keep China from being our enemy, but that approach to China, purely as a security problem, is not, it seems to me, the whole story. China has to be understood for itself, as it is. In other words, we have to maintain a high degree of objectivity. What is good for the Chinese people, comparatively speaking? What will they take? What will they do? It will be ineffective if we try to use China. I think our frame of reference should be that we are trying to work with Chinese social forces, to influence the process of change in China, not merely to use it. I think we have fallen into trouble through the effort to use the situation without enough consideration about how the Chinese felt about it themselves.

I have divided this presentation into two parts: first, the continuity of Chinese conditions and institutions; and second, the continuity of United States interest and policy. My effort is to establish the continuity or trend in China, and in this country in our relations to China, so as to make a projection toward the future—to foresee what our relations may be in days to come.
I begin, therefore, with the continuity of Chinese conditions and institutions; and, as I said, I will take the first topic, the characteristics of the old traditional way of life; then come later to the question of revolution. Now this traditional way of life, I think, we have to take up under the four headings: economics, politics, sociology, ideology; these things that we use in our universities to make what analysis we can of how a society functions, what holds it together. I will go rapidly over these major topics which you are, to a considerable extent, well acquainted with.

First of all, take the Chinese economy in the old traditional way of life. It was a rice economy, or at least an economy of intensive agriculture, in South China, for example. Now this intensive agriculture where you plant each blade of rice by hand, called for a very heavy application of manpower to a small amount of land and irrigation of that land with a heavy application of water. This technique gets maximum land use, intensively, through the heavy use of manpower. Manpower is cheap and you use lots of it, lots of people. By doing that, in this economy, you can maintain a self-sustaining mechanism—a lot of people living at a low level but feeding themselves by intensive agriculture, putting their manpower into small plots of land. Well, that results in a dense population and a crowded countryside. As you know, if you fly over China, you pass one plot of trees after another with fields in between. The trees are where farmhouses would be in Illinois or Iowa, but each of those clumps of trees is a village of two or three hundred people. Where it would be an American farm family, you have hundreds of people living on the land, using these half-acre plots apiece, and so that means a low standard of living. And the result of this economic situation over the centuries has been a low evaluation of the individual and a high evaluation of social order. The individual is cheap, there are lots of individuals, coolie labor is a glut; you can dispense with it, use it, throw it away. But because
there are lots of people and these people have to live together, there is a high evaluation put on maintaining social order, training persons to be orderly, to maintain their status, to be polite,—all these various things that you expect of Chinese. They live in a crowded situation that we are not acquainted with.

Now turn to the sociology of this old society. Social structure is centered on the family as a unit, not on the individual. The whole system is reflected in the custom of arranged marriage, just to take one example. If you grew up in a Chinese family in the old style, your marriage is arranged for you—you never see, before your marriage, the person you marry. The marriage is arranged between families, between your family and another; you are merely the tool of your family; you are used to create a marriage to carry on the family. That all ties in with ancestor worship and all these various things, as you know. This practice, of course, in the old family systems means a low evaluation of youth, as compared to age. The elders are the venerable respected people; they are closest to the ancestors who were also venerated. It also means a low evaluation of woman and a male domination; the woman goes out of her household into that of her husband. The husband stays in his household. As the younger son, he gets married in the big courtyard of another house. Ideally, the daughter-in-law comes in; she is the stranger, the slave who works her way up in the new family.

Now with that social system based on the family, there is another very striking characteristic of the old Chinese society—that it is a bifurcated class structure. Well, that is a fancy name for the idea that there was a ruling stratum and a mass of peasantry below, say 80% of peasants living on the land in their farms and villages and above them a ruling stratum into which they might move, of course. There was nobility; you could rise if you were good, but on the whole people didn’t too much.
This ruling stratum was, you might say, a triangular arrangement of three dominant groups. It is a very interesting thing to study because it had tremendous stability and is dying so hard today. On the three different sides you had three different kinds of people. They all played ball together and were tied in with the families. On one side you had the landlord families, people who got a little surplus off the land. And maybe they weren't just grasping landlords; they would even till their own land, but still they got some surplus by renting out their land. So they had a little leisure; they didn't have to work all the time, at least their sons didn't have to work all the time.

So the landlord class produced a second side of this triangle, the scholar class. You had to have time as a boy to learn Chinese—it takes you a long time to do it at anytime. The landlord class produced scholars by studying the classics. And these scholars, in turn, produced the third side of this triangle, the officials, because from the scholars, as you know, the officials were selected by the examination system. The triangle was complete when the official used his position to buy more land, and he could do it. The official was at the top in this society and thus maintained his landlord and landowner position. In this way the upper stratum maintained its ideology, its social organization, its values, its way of life with great stability over, as you know, 2,000 years, back to the unification of the Empire in 221 B.C. or another thousand years behind that through the period of Confucius and beyond.

Now that meant that the peasant was out of government. The peasant did not participate in the activities of this ruling stratum and did not decide how much he would be taxed or anything of that kind. The affairs of state were the concern of the official landlord—scholar type, the top class. On the other hand, you have to recognize that this old Chinese social structure left the
government rather superficial. The peasant in his family units, in his villages, took care of himself, more or less; he just paid his taxes and the government was the rather thin upper crust over the surface of this vast mass of millions and millions of peasants.

Now suppose we turn to the political structure of this old China. China was a unit secluded geographically from any comparable unit, so it was the universe, the Emperor, the Son of Heaven who ruled everything. Barbarians were round-about it, but there were no equals. The official class I have spoken of comprised a bureaucratic government which ran the Empire on behalf of the Emperor using his prerogatives.

Then there developed in the course of Chinese history another very interesting political feature, namely that barbarians began to come into China and conquer the place periodically—a very interesting phenomenon and very important I think. The reason this was possible was that on the steppe in Inner-Mongolia where these barbarians lived as pastoral nomads, they developed a striking power, militarily, through the mounted archer, which the settled Chinese farmers couldn’t withstand. One million, or maybe two million at most, of these steppe nomads, out on the desert, where it was too dry to cultivate anything with their type of culture, could send an army like that of the Mongols, or later the Manchus, into China and knife through any number of peasantry and conquer the country. A very amazing phenomenon that four hundred million, or maybe two hundred and fifty million in the old days of China, could be taken over by one or two million of these barbarian invaders. How did it happen? It happened several times in succession; the Chinese would make a comeback and then the barbarians would sweep in again a couple of hundred years later and stay for one hundred or two hundred years. The Chinese would throw them out, and they would come back in—a real sequence of this thing.
So the Chinese dealing with the barbarian is part of Chinese history; it is part of Chinese society. It is an important factor of their political life—this constant question of how you deal with the strong, but uncultivated, barbarian menace. Of course, one thing to do is to play him off against other barbarians. When the Chinese were strong enough they did that. For century after century they would deal with one group of Mongols and then deal with another group; they would back one against another in their tribal wars out in the desert on the steppe, and in that way would keep them neutralized, keep them harmless. But from time to time the steppe would become unified and then they'd come in. The Mongols came in and ruled China for more than a century. The Manchus came in two centuries later, and they ruled China for two hundred and seventy-six years, a very long time. They did it, of course, by a combination of diarchy in administration; that is, rule by both groups, using Chinese as officials, as well as Manchus. And combined with that there was what you might call cultural symbiosis; that's a fancy word, but I think it is useful to express the idea that the two cultures were maintained separately, side by side. The Manchus kept their own culture, their own way of life, their distinct entity as Manchus; they didn't inter-marry, they didn't let the Manchus work. They kept them on stipends as warriors in garrisons, kept them separate, and only by keeping this small group of Manchus separate were they able to maintain that power so long.

Now that resulted in a very interesting political tradition in China; namely, that the dynasty and the bureaucracy, the Emperor and his family and all the officials, stood together against the mass of people because they were the ruling group. The mass of the people were the people from whom you got the wherewithal
to maintain yourself; you took it out in taxes. The dynasty might be an alien dynasty, but the bureaucracy still would stick with it. That was a peculiar situation. The secret of that, I think, lies in this element of ideology.

I'll move on to ideology, the ideology of Confucianism—one of the neatest, most comprehensive, and most stable sets of ideas ever evolved for the establishment and maintenance of social order. The individual fitted into a status in society and was trained to know how he should behave at all times. Not the kind of training you know about here, because you train people within the framework of naval service, or military service, to know how to behave at all times in connection with your profession alone. Well, Confucianism is that sort of system in all aspects of life—how the husband should behave toward his wife; how the same man as son should behave toward his father, or his mother-in-law, or his child; or how this man, as a subject, should behave toward his ruler. All this was worked out in minute detail and indoctrinated in the Chinese mind along with the learning of the language. You began to study Chinese by studying the Chinese language in the Classics. The Classics begin by giving you this ideology immediately, so that you can't grow up, you can't become literate, without absorbing this whole system of status, relationships, how you should behave—Confucianism, in short. As your mind develops, it is cast in that mold.

The idea is still very strong in Chinese life that education is indoctrination in order to maintain the stability of social institutions including the political power of those who are ruling. Now, Confucianism was not one of these authoritarian despotisms. The Emperor was all powerful, but he had to act according to the rules of the game, just as any subject should act. According to the Confucian rules, the ruler was supposed to do the right thing
at the right time in an almost ritual manner. If he did the right thing he got tremendous prestige, and this prestige was believed to have a certain influence. His good conduct gave him power over the people. They would admit, when they saw his example, that he was a good man and should rule, and so moral prestige became essential to the conduct of government. This rather superficial, not very powerful, government ruled the mass of the peasantry by morale prestige, doing the right thing, therefore having the virtue which gave it the right to rule. That idea is still very strong.

Now the revolutionary process hit this old society. Let me take that up as my second main consideration. The revolutionary process, which began in modern China in the last century, is gaining momentum; things are happening faster and faster today. Let’s look at it economically, ideologically, socially, politically. To begin economically,—of course, foreign trade came in and it produced an agrarian crisis, as it has in most countries. The farmer who had been producing his own cotton goods on his own little farm now began to find that Manchester and Lancashire cotton and later Japanese cotton goods or Indian cotton goods were splitting the China market. Finally, the factories came into China itself, in Shanghai, Japanese or British factories and some Chinese. When the farmer became dependent on the money economy, this new cotton goods knocked out the handicraft industry that had produced cotton for the farmer in the old days. Cities began to grow up and industrialization came in, and that led, of course, to a population increase, or a tendency toward population increase, pressing on subsistence. You know that kind of economic situation; it produces extreme poverty; we know and can understand it; you just translate the material terms for yourself and you’ve got the economic picture. The thing we neglect, I think, is the sociological and ideological side that goes with it.
Well what happens sociologically? The family was pretty hard hit. Why? Because in the old days the family was a self-contained unit; you functioned in it, working for it, living from it, without any personality problem or wage problem or ownership of property. Everything was in common in the family; you worked in the field, you ate at the table, your father died, you succeeded him, no money changed hands. Now in the new China, industrialization comes in. If you are in the city, or even in the country, you do something for wages; money payments come in. If you are a working individual, you get paid a wage; you are independent of your family, independent of this little microcosm you formerly would have lived in. And so the family doesn't have quite its old cohesion. The mother-in-law can't control the daughter-in-law, when the daughter-in-law makes her own wages. The husband can't control the wife, when the wife is working somewhere in the city—his old control breaks down. Then freedom of marriage comes along. That is just another symptom, in contrast to the old arranged marriage, and so you get a youth movement. The young people begin to break away from the old family system. They say, "Age should not receive the only veneration; we are students and scholars; though young, we deserve a chance to live our own lives." The young students also use this old prerogative of the scholar being top dog. It used to be the old man who had time to learn everything in the classics, but now the scholar is the young student, still the scholar, but young.

At the same time you break down the family, you break down the old landlord system. The old landlord class begins to become an absentee landlord class. You move to the city, nowadays, if you are of this old scholar-gentry on the land. When you move to the city you are out of touch with the peasants, you do things for them impersonally that you used to do by personal contact, mediating their disputes, helping them in some of their
problems. The good side of the landlord-tenant relationship breaks down when you are an absentee; you just squeeze them for what they have to pay you in rent. Thus, peasant disorder more easily comes up. There are other reasons for peasant revolutions, but peasant revolution comes along. It comes in a Chinese cycle; actually, every two or three centuries peasant revolution has come in the past, in the course of things. It began about 1850 last time in China and is still there to use. Now this results in a great opportunity, socially speaking; the opportunity to use the new emancipated youth of China for the purpose or organizing the formerly inert peasantry of China, and that is the combination the Communists have got. Before them, of course, the Kuomintang had it; that is the combination that wins, because you organize this enormous manpower through it.

In politics, let us look at this revolutionary process in China. The first thing was a response to the West by imitating the West. The West was powerful, therefore you must imitate it; you become nationalistic, you act toward the West in the same way as the West acts toward itself or toward you; you have a consciousness of China as a nation among other nations for the first time, instead of being the whole empire and universe with nothing but barbarians around. And so you knock out the old dynasty, you kick out the Manchus who are foreigners after all, and set up a Republic in 1911. Well, that's the first phase. In response to the West, Chinese nationalism rose against the Manchus at last, knocking out the dynasty. Then the question comes up, how do you set up this new Chinese Republic back in 1911? You try the democratic process, a parliament and cabinet government with a president and all the stuff that the British were using. The British was the top nation at that period—even the Americans were using it. So you try that; it doesn't work. Why? Well, China is a different society; it is not that kind of society; there is no way in the world of making
parliaments work in China at that time. The old situation breaks down, Sun Yat-sen fails. The war lords take over and in the old Chinese style move in after the dynasty walks out, grabbing a little area in each part of China as before.

What finally happens as the solution of reorganizing the new China under the Republic? Well, you know the answer—party dictatorship was picked up by Sun Yat-sen. He was anti-Russian, on the whole, but was willing to cooperate with anybody. He didn’t believe in Communism; but he used one of its principles for organizing the new China, namely, the selected group, the party dictatorship. The new elite stratum would take over the government just as the official class used to, and operate things nominally for the good of the peasant in the way the official class used to, carrying on the old tradition in a new form. Of course, it is also a new tradition, but it can’t be a Western style parliamentary government. It’s a party dictatorship that hangs together, following a leader; it has these Fascist, European-style or Communist-type overtones. Chiang Kai-shek became the leader; he set up his regime with himself at the top of the triangle of the party, the army, and the government. These three things he stood on; he was at the top of each. That was the system that organized China under the Kuomintang. Now it is very interesting to see, of course, that it is really the Soviet system, in a certain formal way; it is interesting to see that the Communists today carry on very much the same system. You can either say they got it from the Russians, or you can say they got it from the Kuomintang who got it from the Russians, or you could even find some evidence that Sun Yat-sen was working it out for himself before he took the Russian example, before the Russian revolution. We shouldn’t say this is just the Russian influence. There is something in the Chinese scene that allows a party to come in and take the place of the old dynasty, or the old foreign invader;
this selected group that runs things. That appears to be happening today.

Now what happened ideologically in this revolutionary process? Of course they began studying the West, the United States—students coming here, using liberalism, individualism, the doctrines that made the West so strong. But then they found that in their crowded country they had a low standard of living, with all their traditions and different social context; liberalism didn't work out. It was insufficient to maintain and develop the degree of social order which they wanted. The whole idea of Western individualism seemed rather chaotic and anarchic. And today, when Secretary Acheson puts out his cover letter to the White Paper and refers to the fact that we will continue to hope for the triumph of the forces of “democratic individualism” in China, it proves to be a great mistake to say it. “Democratic individualism” is a golden word to us, I think, but it is a garbage word in China because they associate with this term individualism—the whole experience they had of the western invasion breaking up the family, leaving the average Chinese isolated without all these relationships that he was accustomed to having, atomized—incapable of doing anything by himself, so that he had to join a party if he was going to get results. All that idea is in their minds. So “individualism” is not the good thing we think it is, where the individual expresses himself and his personality. In China, it is a factor for disorder and difficulty and breakdown; they are against it. “Democratic individualism” therefore, they immediately translated their way. They ran editorials on it for weeks afterward and are still doing it, using it against us. They don't like it.

The Chinese Communists obviously have combined these ingredients in the Chinese scene. They show the most promise of anybody in recent decades of setting up a strong political order.
They have been using the peasant revolution on the land. Now, of course, they have turned the corner; they say they will have to industrialize, so henceforth it is a question of how much they can get out of the peasant, how far they can squeeze him. They will have peasant trouble from now on. Still they were able to use the breakup of the old family, the breakdown of the old landlord-gentry class, to put their own system in. It is a modification by which you are loyal, not to the family so much as to the party. So you join up. And where the gentry does not run things locally the party does, in this new way of organization. They are committed to industrialization and they proclaim themselves intensely nationalistic. That, of course, is a tough question—how far it is possible to combine a genuine Chinese nationalism with the Marxist ideology sent from Moscow. Of course we immediately say, "How about Titoism?" Mao Tse-tung immediately comes out saying, "The hell with Tito!"

Now that is, I think, a Chinese situation. In other words, what Mao Tse-tung says is for political purposes. Personally, I don't know whether China is going to be run by the Russians or not, aside from the fact that they are all Marxists.

Well, in this situation there are continuing elements. A poor dense population, facing famine in the year ahead because of the disastrous floods and famine in North China and on the Yangtse, is likely to be governed by a bureaucratic official class, a selected elite, in this case organized by the Communist party and likely to be strongly pro-Chinese. However, they may work it out with a tradition of alien influence and alien rule.

Now, let us look briefly at the American policy in relation to this Chinese scene. Our contact with China began in our seeking access for trade in 1784. And we got a treaty and extraterritoriality to give us greater access for trade in 1844. This idea
of access for trade developed in the "open door", which was as much British as American. The open door for trade in 1899 developed further into the idea for independence and integrity of China. So this idea of Chinese integrity and independence is more than a merely economically motivated idea on our part. Our trade with China has actually been rather small most of the time. We have also had extensive missionary and humanitarian interests in China. Part of our own democratic faith has found expression in hoping that we could help the Chinese to get what we regard as benefits from democracy, the American way of life. We have been expansive in the 19th and 20th centuries. We have also developed a certain sympathy I think for the Chinese personality—there is something about the Chinese individual toward which we feel rather sympathetic. He is in difficulty, he has a sense of humor, he is very civilized, he understands people. We get on with him usually, we understand his vices, we admire his virtues. It has been this friendliness which is not just an economic imperialistic ambition but also a matter of actual sentiment between peoples.

That is our background of a pretty good record, made possible, most likely, because the British did the dirty work in the 19th century. They fought the wars; we came along behind and took the opportunities. We didn't get on the spot until recently as the representative of the West. The British were the great Western representatives before. They took the rap in 1926 when China was feeling anti-foreign. It was anti-British. Now, of course, it is anti-American.

Up against this new situation—this new power with which we finished the last war, power on the Chinese scene because of the troops and armament that we have there, we preceded to make a series of errors. We made some good tries, but we also made some errors. And our problem now, it seems to me, is to study our post-war record against the background of Chinese conditions.
and traditions and to chart a new course, not willfully, but with as much preception of these long term trends as we can. For that purpose the White Paper was put out, aside from the necessity of shutting off the Republicans. The White Paper was very bad news for us in China. The covering letter by Mr. Acheson played the document as though we had always been for Chiang Kai-shek when General Marshall was mediating. The Communists have jumped on that; they have said that the White Paper proved that General Marshall never was a mediator at all—which is their propaganda lie, doing the paper injustice of course. In general, we have wiped our feet on the Nationalist government without, on the other hand, ingratiating ourselves with the Communists. Nobody wants to ingratiate himself with the Communists; it doesn't work out. But either way you take it, we haven't made much progress in China with the White Paper. You have to recognize that it probably was not a help to put it out. Therefore, we have to capitalize on the advantage it gives us in our own thinking at home, because it does give us the record. And don't let anyone tell you, like Congressman Judd, that anything is suppressed and ought to be there that isn't. It is true the military record is not built up because that was not in the State Department's problems. The White Paper gives you the story condensed in a thousand pages. It ought to be studied, and our great opportunity in having it is that we can use it for purposes of study.

So I proceed now to name what I think are some of the errors which you can document from this body of documentation: Error number one, American sentimentality or wishfulness and hopefulness about China during the war, the big build-up about freeing China, the great heroic effort that was going on. But actually, it was a pretty tough spot for the poor Chinese to be in, and a lot of individual graft went on. People were trying to save themselves from inflation. We built up a fine picture and came
out with this policy that China must be one of the big five, and we must help China to become strong, united, and democratic at the end of the war. Therefore, we had a great hope, I think, which was unrealistic at the end of the war, to start us off on our activities in China.

Secondly, we showed bad judgment. We didn’t look at the facts of the local situation when we refused to see that Chiang Kai-shek was on the way out, that he was going to lose to the Communists sooner or later. His system wasn’t getting the basis of power in China in the form of a peasantry which it could use for taxes and an army. On the other hand, the Communists with their system, were getting the basis of power because they could use the peasantry to support an army and that would give the game to the Communists. We refused to see that. We thought we were so powerful we could change that; we didn’t realize how difficult it is to get into China. You can get to the coast, you can get to the main cities, but you can’t get inland. Logistically it is a nightmare.

Error number three: I think we were rather naive, because we put our faith in material things and, I think we all realize upon reflection that no social revolution, no process in the change of a society, the way people live together, and what they believe in and how they act toward one another, no process of that kind is purely a material matter. You may be able to slow it down by raising the standard of living and filling the belly, but that doesn’t solve all problems. And we had a good deal of faith that by material means we could turn the course of the Chinese revolution—by arms, for instance. It was probably unlucky that we had so many arms on the Chinese scene, destined for many Chinese armies we had been training against Japan and continued—about half of them—in the Lend-Lease pipeline after the end of the war, as we did in no
other part of the world. We kept feeding in equipment to these Chinese troops. As a result, the Chinese Communists today have a better-armed army, with American equipment, than the Chinese ever had. But they are an anti-American army. The arms moved right through the Chiang Kai-shek troops which didn’t have the morale to keep them. They were much easier to sell. The Chinese Nationalists had nothing to fight for which would keep them from selling arms when they got in a jam, or surrendering them when they were surrounded. And so this whole process went on, which is recorded by General Barr and others in the White Paper. For example, Chiang Kai-shek’s troops, being on the defensive psychologically, would stay in the cities and on the railroads, as the Japanese did. In the cities they had their artillery, but you can’t use artillery against the countryside. The Communists had no command posts, no dumps, nothing you could hit. They were scattered around the peasantry. You couldn’t use the artillery of the United States to defeat the Communists. Eventually, the Communists began to capture this artillery, they bought up some of it. Then they were in clover, because they could use artillery against fortified strong points. And, when the Communists began to get some American artillery and turn it on the little cities and outposts, Chiang Kai-shek’s troops were finished.

Error number four was, I think, a wrong emphasis or wrong proportion in our aid program to China. We put arms and economic aid first. We didn’t have any way of dealing with the social situation or the sociological changes. What do you do with youth? What do you do with emancipated women? The Communists organized them, meanwhile, and we were sitting on the sidelines. We didn’t do much ideologically. We talked about our own ideals, which are excellent, which apply to our country, and which we maintain and defend. Yet those ideals do not exactly
apply, in our terms, to the Chinese peasant. They must be translated somehow; and we haven't found out how to do it yet.

Error number five: We were inexperienced about what could be done. For the Chinese economy we thought we could send much more aid than we could. We found that a backward, undeveloped economy like China could not absorb the economic aid we sent. You could get it to the dock; you might get into the warehouse, or across the river at Shanghai, at a cost equal to the cost of a shipment to New York, but you couldn't get it up country. When you got it up country, you couldn't use the machinery we had put in. For example, we had a system of workshops for producing iron tools for the farmer to improve his tools and production. We had a big workshop and tool plant for each province. One of the tool plants was coming in crates off a barge; and you had to have a cement foundation for the tools. This meant a big local outlay, a lot of expense, increasing the inflation and placing a heavy burden on the local people to provide the foundation, even before you got the crates unpacked. To get into production you have to train operators and find them also.

Furthermore, we lacked experience in regard to the Chinese political tradition. We didn't understand the mandate of Heaven. The mandate of Heaven is an old Confucian conception, engraved in Chinese psychology, like the election process in the United States. One candidate in our presidential election gets a few more votes. He may actually get less votes, but he still gets more electoral votes, as at times in the past. He gets a few more votes and the rest of the country the next morning says, "He is the President." That's the majority rule, a bare majority sometimes. That is our custom. The mandate in Heaven is comparable. The idea is that, when a new contender for the supreme power obviously has popular support organized by using a combination of persuasion...
and compulsion to work on the peasantry, he is nice to them; and those who are nice to you, you knock off, and there are others who are still nicer to you, and there are fewer of them to knock off. You get them lined up; you get them organized, and so on. When a leader in China has done this, there comes a point where he has the mandate of Heaven. He is in—he is the new dynastic organizer. That situation came back last Christmas. Chiang Kai-shek has been out ever since. When the leader is out, he is completely out, and it is just a case of clean up. So it has been impossible for us, whatever efforts we have made, to build up any strength against the Communists.

I think we have to be more conscious of our own type of strength, our own type of society—its own virtue. And it is a virtue in my view that consists of pluralism which, I feel, is a fancy word for a lot of agencies or expressions of power in the state, or having a diversified situation where there is no one dominant force, as exhibited in our having not only a public sector of government enterprises, but a private sector of private enterprises. And sometimes they are pretty big, but, nevertheless, these big corporations which the Marxists stare at as monopoly capitalism, are not government. They are something different and provide a sort of balance, so that we have in our system an element of strength with the balance which we have from a number of different agencies on the same level. And that, I think, goes with our whole concept of the rule of law, including private property, which safeguards the individual in his self expression. There is an idea there of not having the monolithic state where the party is a dictatorship, where the state does all the industrializing and the like. This doesn't mean that I am anti-socialist or pro-socialist. I think we are moving along in a progression (this is just my personal view)—progression where we are developing an increasing degree of government enterprise. But I think it is important for us to keep in mind this
principle of a balance among the forces in our society so that no one agency, association, or group is dominant.

Now, when we look at the Chinese scene, and most of the other Asiatic countries, it is perfectly obvious that they are not in such a situation and they cannot be, no matter how much we try. Say we are going to help the middle class; it isn't the same thing. And they are not our kind, in these sociological terms; there is nothing much we can do about it. They do have this tradition of the official class running things. The Japanese have it, and getting them away from the idea is going to take a long time. We have to compromise in a statesman-like sense, of retaining our own objectives and our own values and yet not assuming that we can make them prevail in the near future. You can't just go out and Americanize Asia. When you do, you stub your toe as we have in the recent past, unless, of course, you look around for the person who will play ball with us, who does subscribe to American principles. You find a Syngman Rhee in Korea or a Chiang Kai-shek in China. Our danger is that we are too ambitious about this, that we go in and support these people and say, "You've got to choose—this is our man. He is most like us, at least he is not a Communist, so we will support him." Well, I'm afraid of that, as a practical matter, not being effective. I think it is not going to work too well, if we are too ambitious about it. It works something like this. Chiang Kai-shek is on the spot, with a very tough post-war situation, inflation, many difficulties to overcome, everybody unhappy; and, if he does certain things to try to win peasant support, maybe he can undercut the Communists. He has had his chance for twenty years; it's still there, but in 1945 and 1946 we came along and we said, "Yes, you must make these reforms and we will give you a lot of aid." And he says to himself, consciously or unconsciously, "O. K., I'll take the aid and won't have to make the reforms, because if I make the reforms, I will be out, so I will take the aid." So the more aid
ground. We don’t know very much about it—it’s pretty hard to get the story out—but we know perfectly well that Manchuria is the key to the industrialization of China. It is the key to the future standard of living of the Chinese people, and the Russians are sitting on it because they can use it.

Now here is this famine coming in China next May probably, whether or not we hear about it. Manchuria, the big bread basket of North China, is the place which can produce a crop surplus. The Russians want that extra food in Siberia where the soil is too poor and doesn’t produce enough food. Who’s going to get the food out of Manchuria,—North China or the Russians? Well, we’ll wait and see. In other words, we should play this—not as a doctrinaire, ideologolical knock-down and drag-out, which is likely to lose us Asia—but as power politics. The Russians are a gang; they are in there for what they can get, and we don’t have to get so much. We can be more friendly; we can give more. Now that calls for a certain amount of self-control on our part, because our doctrinaire attitude, I think, toward Communism has gone beyond the point of careful calculation; it has gone to a sentimental or emotional point—we don’t like Communism—it represents all these things, all these uncertainties and things we don’t like, police states, and what they are doing in Czechoslovakia, and all that. We sum it up in our anti-Communism. Rightly so, but this is not an expert ideology. Mere anti-Communism is not enough to offer Asia.

I think that we are backward in our ideological approach to Asia. We know all about logistics and shipping equipment and arming and everything else; we can do all these material things; we are the masters of them. But as yet, we haven’t got the ideological, political, social, or social science understanding of how to get these people’s minds moving in a direction that we can go along with.
we give him, the less he has to make reforms, the less capable he is of competing with these Communists, or other people who are out organizing the peasantry on the countryside through reform. In effect, we give him the "Kiss of Death" to some extent. We can do that in any country in Asia, if we go in too heavily. We have got to figure out some way of trying to support a non-Communist situation without actually creating it. We can't back the status quo; we can't put people in positions where they rely on us and become, as the Communists say, "Running dogs of the American Imperialists", in the eyes of their own people, which discredits them and pushes them out.

To throw this out as a point—I think we are not going to get very far with a big anti-Communism ideological line in Asia. I think we will get a lot farther with an anti-Russian ideological line. In other words, we should avoid being doctrinaire.

Now it is very good for us to work out our own doctrines, our own faith, what we believe in in this country. Obviously, this country isn't going Communist. We want to understand what our ideology is and express it, believe it, but, when it comes to Asia, Asia is so different and is so close to being a setup for the Communists, I think we would do well to lay off Communism and lay on Russia. You see Communism is the fine dream. It is the thing you can do in Asia—to knock off the landlord or kick out the invader, who is the imperialist by Communist definition. Communism is a pretty good thing to the poor down-trodden Asiatic, just as an ideology to dream about, to work for. "All stand together and we will have a new day; we'll liberate; everything will be fine." It works as a rallying point, and attacking it, I don't think, is our strong point. On the other hand, if we go in for an anti-Russian line, we've got all kinds of material. There are the Russians sitting in Manchuria, doing all kinds of dirty work in the back-
ground. We don’t know very much about it—it’s pretty hard to get the story out—but we know perfectly well that Manchuria is the key to the industrialization of China. It is the key to the future standard of living of the Chinese people, and the Russians are sitting on it because they can use it.

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