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WORKING PAPER
15 February 1966TOP SECRETSPECIAL STATE-DEFENSE STUDY GROUPRelations with Communist China: An Inventory of Problems
Which the United States May Face in the Coming Decade

On December 1, 1965 the Special State-Defense Study Group issued an interim report on its long-range study of Communist China. A final report will be submitted in June 1966. The present working paper represents a stage in the development of the final report and is being circulated informally to interested persons for information and possible comment.

The Study Group's interim report concluded that containment (dynamic opposition to the expansion of Asian Communist power and influence) will continue to be the preferred strategy for the United States in dealing with Communist China in the coming decade. The present paper explores what might be called the anatomy of such a strategy by seeking to identify the principal problems which the United States may encounter in its relations with China and surrounding areas over roughly the next ten years. Fuller treatment of many of the points noted below can be found in the interim report. Most of these points will also be treated in detail in the Study Group's final report.

I. The Three Strands of a Containment Strategy

A strategy of containing Asian communism may be thought of as having three closely intertwined strands: (1) deterring (or defeating) direct or indirect Communist aggression, (2) strengthening the areas threatened by Communist aggression or subversion and (3) influencing the Chinese and other Asian Communist leaders to abandon their expansionist policies and seek a more constructive relationship with the outside world.

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A. Deterring Direct and Indirect Aggression

1. Direct aggression. Since their failure to seize South Korea in the early 1950s, the Chinese Communists and their lesser allies have been effectively deterred from committing direct aggression except in two limited situations (the Taiwan Strait in 1958; the Indian border in 1962) involving relatively little risk of a direct military clash with the United States. This deterrence of direct aggression might be seriously weakened if the Communist leaders came to believe that (a) their development of a nuclear weapons capability had raised the threshold above which the U.S. would employ its overwhelming nuclear power and (b) modernization of their conventional forces had given them superiority over any conventional power which the U.S. could apply along mainland China's eastern or southern periphery.

The first of these two conditions is not likely to arise until late in the decade, if then. By 1976, the Chinese Communists might be able to deploy 100 MRBMs and a medium bomber force of 100 planes. Their intercontinental capability in 1976 would consist at most of a small number of ICBMs and a few missile-firing submarines capable of presenting an intermittent threat against the West Coast of the U.S. Nevertheless, the Chinese leaders might over-rate the counter-deterrent value of their limited advanced weapons capability--particularly if public opinion in the U.S. appears to have moved even more strongly than now against the use of nuclear weapons.

We should therefore be prepared to face several questions:

(1) Would a separately identifiable nuclear force targeted against mainland China and obviously not against the Soviet Union help maintain the deterrence of direct aggression? If so, what should be its size and composition? Where should it be deployed? When?

(2) Should the U.S. deploy an anti-ballistic missile force to protect its own territory, its Asian allies or both from the Chinese nuclear threat? What are the relevant lead

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times? Would deployment of ABMs only in the U.S. add to or detract from the effectiveness of our deterrent?

(3) Under what circumstances might it be advantageous for the U.S. to launch pre-emptive strikes against Chinese Communist nuclear weapons production facilities and/or delivery vehicles?

Chinese Communist ability to project conventional military power beyond its borders will gradually increase over the coming decade. The air force will be strengthened by the domestic production of jet fighters and bombers, although the models which the Chinese are expected to turn out (MIG-19s or 21s and TU-16s) are no match for the most modern planes already in the U.S. and Soviet inventories. Air defense capabilities could be augmented by the deployment of possibly 160 domestically produced SAMs. The mobility and firepower of ground forces will benefit from expanded internal communications, domestically produced trucks, heavy artillery, tanks and possibly limited numbers of transport aircraft. The most significant improvement in the relatively weak navy will be in the construction of additional submarines and patrol craft, although it will remain essentially a defensive force.

The Chinese Communist armed forces in 1976 will probably still be superior to the forces of any Asian power, but distinctly inferior in both total firepower and strategic mobility to those of either the U.S. or the USSR. Nevertheless, their increased capabilities, possibly including the ability to conduct major operations on more than one front simultaneously, might encourage aggressive adventures unless the U.S. and its allies increase commensurately their conventional military strength.

Several questions appear to deserve special attention:

(1) Especially if we lose some of our present bases, will the ability of the U.S. to project conventional power into the areas around mainland China keep step with the increasing

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Chinese Communist ability to conduct offensive operations in those areas? Do plans for improving the mobility and "reach" of U.S. forces meet the evolving threat in Asia? Do such plans permit any reduction in the forward deployment of forces?

(2) Will allied and other friendly forces develop in a way which will best complement U.S. forces? Is the military assistance program being used effectively to bring this about?

(3) Would an increase in the U.S. and allied capability to conduct limited conventional ground operations against mainland Asia be an efficient and effective means of maintaining a credible deterrent against direct aggression?

2. Indirect aggression. The Asian Communists have not yet been effectively deterred from committing indirect aggression. If we and the people of South Vietnam succeed in turning back the current thinly veiled aggression from the North, something like effective deterrence of indirect aggression may be established for a time. But this is by no means certain. The leaders in Peiping and Hanoi will undoubtedly persist in their proclaimed policy of supporting "national liberation struggles" whenever favorable conditions exist or can be created.

In order to meet this threat, several important and difficult problems will continue to require attention over the coming decade:

(1) Can we make indirect aggression as dangerous to the aggressor as direct aggression without incurring unacceptable risks and costs--both military and political?

(2) Alternatively, can we develop a counterinsurgency doctrine, capability and posture which will so reduce the prospects for success of indirect aggression as to discourage a potential aggressor from the attempt?

(3) Can indirect aggression be prevented by creating conditions which inhibit Communist-led insurgency? Can we identify potential targets of indirect aggression and take adequate preventive measures in time?

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B. Strengthening Threatened Areas

Promoting economic development, political stability and international cooperation among the non-Communist nations of Asia, Africa and Latin America would be in our national interest even if there were no Communist threat. The existence of a Communist China, dedicated to revolutionary, expansionist policies, gives us a special reason to decrease the vulnerability of these nations to Communist subversion and direct and indirect aggression.

The problems which we can expect to encounter in continuing this effort during the coming decade will be largely familiar ones, although this fact does not decrease either their importance or their difficulty. Some old problems may in fact take on new dimensions through appearing in unexpected circumstances or acquiring added urgency. Most such problems relate to specific countries and will be noted in Section II below. A few problems of wider application may, however, properly be noted here:

1. Can a body of doctrine be created in the field of political development comparable to that which guides our efforts in the field of economic development? How can the instruments of economic and military aid be used more effectively to promote political development, strengthen internal stability and cohesion, and achieve other desired political goals? Do we make sufficient use of psychological measures?
2. How can we best help the people of several Asian countries avoid the disaster threatened by a rising population and a near-stagnant agriculture?
3. Should the promotion of regional cooperation-- political, economic, cultural and military--become an even more important aspect of our policy toward the less developed nations of the world? Can we create an over-lapping and mutually supporting complex of cooperative arrangements which will constantly

increase in strength and lead in time to "grand designs" extending over entire regions?

4. Specifically in the field of mutual security, what is to be done with the complex of bilateral and multi-lateral arrangements inherited from the 1950s and showing signs of weakness and disrepair at some critical points in the mid-1960s?

C. Influencing Asian Communist Policy

Effective deterrence is of course an essential part of any effort to influence Asian Communist policy in more constructive directions. The strengthening of threatened areas also plays a major role in such an effort, both by adding to the difficulties of an expansionist Communist policy and by exerting an attractive force on the peoples under Communist rule and eventually, it may be hoped, on the Communist leaders themselves. It should be possible, however, to supplement these two major strands of a containment strategy with other measures designed specifically for the purpose of influencing present or future Communist leaders.

The efforts of the Voice of America to reach a mainland China audience and the series of ambassadorial talks at Warsaw are current examples of such measures, but new initiatives will almost certainly be needed in the years ahead. We must begin now thinking more seriously about questions such as the following:

1. Would the Warsaw channel be more useful if the talks were moved to a locale more secure from Soviet surveillance? Would additional less formal and less exposed contacts with Chinese Communist diplomats reinforce the Warsaw channel? Can we make more profitable use of third-country contacts?

2. Will the clear disadvantages of Chinese Communist membership in the United Nations continue to exceed the more

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speculative advantages of bringing the Peiping regime into closer contact with world opinion? What new problems will we face if the Chinese Communists are admitted to the U.N.?

3. Should citizens of mainland China be encouraged to visit the United States? If so, how? Would complete elimination of restrictions on travel by U.S. citizens to Communist China be in our national interest?

4. Would selective removal of restrictions on economic relations between the U.S. and Communist China help convince the leaders in Peiping of our interest in developing a more constructive relationship?

5. Can Chinese intellectuals be stimulated to consider seriously the question of whether China is on the right track? If so, would such ferment among intellectuals have any beneficial influence on Chinese Communist policy?

6. Can the policy of differential treatment which has had some successes in Eastern Europe be applied to Communist Asia? Would recognition of Outer Mongolia be a good place to begin?

7. Can we obtain any assistance (deliberate or otherwise) from the USSR in influencing Chinese policy?

8. And finally, in connection with all conceivable measures designed to influence Chinese Communist policy, what is the most opportune timing? Before or after a change in leadership in Peiping? At a time of economic adversity? Before or after a resolution of the current struggle in Vietnam? And what is the best sequence or conjunction of measures?

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II. The Different Sectors of the Containment Front

In addition to general problems of the variety noted above, execution of a containment strategy will involve a number of special problems in the countries surrounding mainland China.

A. East Asia

Over the next ten years, we may expect to see Japan grow in economic strength and confidence. Conservative governments will wish to maintain economic and security ties with the U.S., but will probably pursue a more independent and assertive foreign policy. Japanese trade with Communist China will continue to increase. Recognition of the Peiping regime is likely well before the end of the decade. Japanese interest in Taiwan and South Korea will also grow, but relations with those two former colonies will be strained by Japan's efforts to exploit economic opportunities in mainland China and North Korea.

Both Taiwan and South Korea should continue to progress economically, but both may experience periods of political instability in which the constancy of U.S. support and the coordination of U.S. and Japanese policies may prove crucial. Taiwan's political problems may be particularly severe if the death of Chiang Kai-shek coincides with external blows, such as a defeat on the offshore islands or loss of a seat in the U.N. Political problems in South Korea may arise from, or be complicated by, mounting interest in reunification.

Problems which the U.S. may face in East Asia in the coming decade include:

1. Should we take the initiative in proposing renegotiation of the mutual security treaty with Japan before 1970 when either party can withdraw from it after giving one year's notice?

2. Can we continue to hold the essentials of our position in Okinawa by a policy of gradually making concessions to the Japanese and Okinawan interests, or must we be prepared to accept less desirable arrangements?

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3. How can Japan be encouraged to play a larger, constructive role in regional affairs? Should -- and can -- Japan be induced to assume security responsibilities beyond the defense of its own territory?

4. Can we either retard the present tendency for the China policies of the U.S. and Japan to diverge or prevent differences on China from undermining U.S.-Japanese cooperation in other fields?

5. Can or should Japan be discouraged from developing an independent nuclear weapons capability? Will some form of nuclear sharing with Japan become necessary?

6. Can new tactics be developed which will preserve the GRC's seat in the U.N. and thereby presumably keep the Chinese Communists out? If not, how can the GRC be insulated from the shock of a sudden collapse of its international position?

7. Will it be in our interest within the next ten years to move, first, to a tacit and later, to an explicit two-Chinas policy?

8. How should we react if elements within the GRC should some day try to turn Taiwan over to the Communists?

9. Can a practical formula for reunification of Korea be developed which would not sacrifice any vital interests of either the U.S. or the Republic of Korea?

10. Under what circumstances might part or all of the U.S. forces in Korea be withdrawn?

B. Southeast Asia and the Southwest Pacific

In this part of the periphery of mainland China, developments in two countries -- Vietnam and Indonesia -- are of critical importance for the success of the containment strategy. If, for example, the current fight to turn back Communist aggression in South Vietnam fails, establishing a new line, based perhaps on Thailand and the Philippines would at best be very difficult. If

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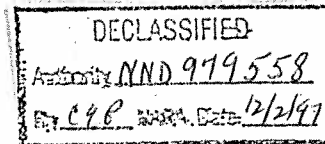
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Indonesia had continued the drift toward Communism which was checked only a few months ago, the containment front on mainland Southeast Asia would have been threatened from the rear. Even a non-Communist Indonesia could have a seriously destabilizing impact on prospects for regional stability if it were to renew the earlier policy of military confrontation with Malaysia.

Uncertainty concerning the future of Vietnam and Indonesia makes it more difficult than in the case of East Asia to see the general shape of the policy problems which we may face in the next ten years. The following possible problems merit flagging:

1. Assuming that we succeed in turning back the Communist effort to seize South Vietnam, how long will U.S. forces be needed in that country and/or Thailand? Under what circumstances could we withdraw our forces from mainland Southeast Asia and still effectively deter Communist aggression from positions on the offshore island chain? What would be our base requirements on the island chain? What should be our military strategy? Would forces based on the island chain have sufficient mobility and "reach"? Would stand-by bases with pre-positioned stocks be needed in South Vietnam, Thailand or elsewhere?
2. What should be the future roles of Filipino, Thai and other indigenous forces in our strategy?
3. Should SEATO be replaced or supplemented by other bilateral or multilateral security arrangements? How might Malaysia and Indonesia fit into such arrangements?
4. Can the Maphilindo concept be channeled in constructive directions and lead to a useful cooperative relationship among the ethnically Malay states? Does revival of the Association of Southeast Asian States (ASA) hold any prospect of an alternative constructive grouping? Might either Maphilindo or ASA develop into a common market?
5. Is it both desirable and feasible to draw Burma and Cambodia into a more cooperative relationship with their neighbors?

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C. South Asia

In South Asia, the U.S. has not been required to maintain the posture of close-in containment which has been found necessary in East and Southeast Asia. In the Southern sector, our posture is instead one of containment behind the "buffer" of India and Pakistan. Unfortunately, these two nations live in a state of hostility and suspicion which both diverts resources from the strengthening of their own societies and increases their vulnerability to Chinese Communist intrigue and military pressure.

Despite the damage done by their quarrel, however, prospects in both India and Pakistan are not without hope. Provided that adequate foreign aid is forthcoming, both can maintain satisfactory rates of economic progress over the coming decade and both should experience a reasonable degree of political stability under governments similar to those now in power.

The principal problems which may confront the U.S. in South Asia in the next ten years appear to be:

1. How can we achieve a balance in our relations with India and Pakistan which will minimize opportunities for disruptive Chinese Communist maneuvers and permit us to help both nations develop the needed strength -- both economic and military -- to resist all forms of Chinese Communist pressure?
2. What kind of military force may we need to project into South Asia? Do we possess the means of doing so (bases, logistic arrangements, available forces)? Are additional facilities needed on Indian Ocean islands? In western Australia? If so, what type? Impact of possible U.K. withdrawal?
3. How should we react to Chinese Communist attempts to seize one or more of the Himalayan states? Should our reaction vary depending upon the technique used (subversion, indirect aggression or overt attack)?
4. Can, or should, the Indians be dissuaded from developing an independent nuclear weapons capability? If not (as now seems

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probable), how can the adverse impact of this development on Indo-Pakistani relations (and on Pakistani susceptibility to Chinese Communist overtures) be reduced?

III. The Role of the Non-Asian PowersA. General

If only through membership in the United Nations, most of the countries of the world, however weak or distant from China, exert some influence on our China policy. Indeed, the disparity between the voting alignments in the General Assembly and the power realities in Asia will probably continue to complicate our efforts to deal with the China problem.

Only a handful of non-Asian powers have substantial interests and influence in China or its southern and eastern periphery. Of these, the USSR is by far the most important. The others are the UK, Australia, New Zealand and possibly France. Each of these powers, in greater or lesser degree, can contribute to the success or failure of our efforts to contain Communist China.

B. The Soviet Union

The U.S., the USSR and Communist China are engaged in a three-cornered rivalry whose complex rules we and the other two participants are only beginning to understand.

The USSR appears to share the interest of the U.S. in preventing Chinese Communist expansion. At the same time, however, the Soviet leaders do not wish either to lend credence to Chinese Communist charges of collaboration with imperialism or to contribute to an increase in the power and influence of the U.S. Thus, as long as the present Sino-Soviet rift continues -- and there is little reason to expect a healing of the rift in the coming decade -- the USSR may be expected to do what it can to cut down or counter Chinese Communist efforts to increase its power and influence beyond its own borders. But despite this

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common interest with the U.S., the USSR will seek to avoid any appearance of collaboration with the U.S. and will in fact exploit any opportunities to increase its own influence at the expense of the U.S. This line of Soviet policy creates both problems and opportunities for us:

1. Better relations between the Soviet Union and Japan might retard the development of closer ties between Japan and Communist China, thereby reducing the danger of a serious split between Japan and the U.S. over China policy. But at the same time, increased Soviet influence in Japan might in time weaken Japan's alliance with the U.S. and conceivably lead to the loss of our bases in both Japan proper and Okinawa. Up to what point should we encourage or passively accept an improvement in Japanese-Soviet relations? When (and how) should we seek to apply the brakes?

2. In the Indian sub-continent, the Soviet Union has to a degree helped contain Chinese pressures by providing economic and military aid to India and by mediating the India-Pakistan dispute. Should we encourage, or at least pose no obstacles, to this superficially constructive line of Soviet policy? Or must we guard against the possibility that a Moscow-New Delhi axis will someday arise with seriously adverse consequences for our interests and those of our allies in the vast sweep of Asia from Suez to Singapore?

3. In Southeast Asia, the USSR appears to favor an end to the current hostilities in which they see the danger of a larger war. They also clearly wish to increase their influence in Hanoi at the expense of Peiping. Should we therefore welcome their playing a larger role in the area? Is there a formula for stabilizing Southeast Asia which both we and the Soviets could support?

4. After the present turmoil in Indonesia subsides, the USSR may well resume its past efforts to gain a position of

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influence there. Should we accept this on the ground that a Soviet presence is preferable to renewed ties with Communist China? Or should we conclude that, with the smashing of the PKI, the Chinese threat is remote and that an increase in Soviet influence can only be at our expense?

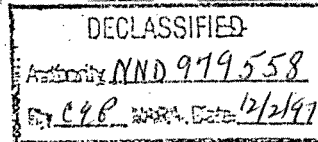
5. If, contrary to present indications, the USSR and China should renew their collaboration, what would be the effects on the U.S. position and strategy in Asia?

C. The European Powers

France retains no real power in Asia and such cultural prestige and diplomatic influence as remains may decline further in the coming decade. The withdrawal of the UK from Asia has been more gradual and more orderly. The UK's withdrawal will probably continue (the Singapore base may be gone well before the mid 1970s), but even ten years from now the British could be a significant political, economic and military factor East of Suez. Our security arrangements with them in this part of the world involve a number of complex questions, including the following:

1. Is it in our interest to retard the British withdrawal from Asia? If so, what should we be prepared to pay in terms of easing British financial burdens or assuming British security obligations?
2. Should we encourage or discourage the deployment of British nuclear-capable forces East of Suez?
3. Are new U.S.-UK command arrangements, possibly also involving Australia and New Zealand, needed in the Indian Ocean area?
4. How may changes in the UK defense posture East of Suez (and new U.S.-UK arrangements there) affect NATO? Should we apply greater pressure on the other NATO powers to take a more interest in Asian security problems?

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D. Australia and New Zealand

The Australian view of Asian problems probably more nearly coincides with that of the U.S. than does the view of any other power. Perhaps with less conviction, New Zealand can generally be relied upon to concert its security policies with Australia. There is no reason to anticipate any serious deterioration in this happy state of affairs over the coming decade. The questions which we face with respect to Australia and New Zealand concern principally the means of adjusting a close allied relationship to an evolving situation.

1. Should Australia and New Zealand be encouraged to create somewhat larger, more mobile conventional forces to deal with brushfire wars in Southeast Asia?

2. Should the U.S., the UK, Australia and New Zealand develop new joint base facilities in northwestern Australia to facilitate the projection of allied power into the Indian Ocean area and eventually to take the place of Singapore?

3. Should ANZUS be broadened to include the UK? Should it be broadened still further to include Thailand and the Philippines and thereby in effect supersede SEATO?

IV. Longer-term Perspectives

By its very nature, a strategy of containment has no definite and predictable end. But "containment forever," with its unavoidable risks and its high costs, is not an attractive prospect. We should be able at least to hope for something better. This hope in turn must rest upon the belief that containment can be made to work with, rather than against, the tides of history in Asia.

Containment is more than one side of a clash between U.S. and Chinese policies in the third quarter of the twentieth century. Containment must be viewed in long historical perspective as part of the continuing process of fitting China into

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an orderly world system. China has never been part of such a system, but for most of its history was the center of a world of its own. In a sense, the process of "fitting China in" began with the first sustained Chinese contacts between Western technological and military power over four centuries ago. This process has gone through many phases marked by misunderstandings, blunders and bitter conflict.

Mao Tse-tung has a concept of China's place in the world which is clearly unacceptable to most non-Chinese. We must not regard our strategy as one of "putting China in her place," but instead try to find a place for China which will be reasonably satisfactory to everyone concerned, including the Chinese themselves.

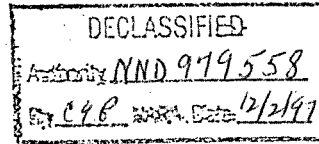
In addition to the hard questions noted earlier in this paper, we must face several other questions which are even more difficult:

1. Is there a common ground of interest between the United States and China? If so, can a policy of mutual tolerance be erected upon it?

2. Are forces at work within Chinese society which will favor a "turning inward" of Chinese energies? Will Mao's successors take a more pragmatic approach to China's problems than he has? Is Communist China today in a fundamental sense over-extended? If so, will recognition of this fact be followed by policy changes, including an effort to achieve a more constructive relationship with the outside world?

3. Are China and the United States today really on a collision course? If so, how can the collision be averted without the sacrifice of vital U.S. interests?

4. If, despite our efforts to avoid it, war with China is forced on us, what should be our war objectives and military strategy? How can a war be terminated at minimum cost to



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ourselves and at minimum damage to our hopes for a peaceful,
progressive world order in which the U.S. and China could
share?