

Mr. Allen Dulles.
OUR LAST ROUND BEFORE WORLD WAR III

Address given before the Senate Committee on Foreign Relations

by

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Gentlemen:

I would first like to express my thanks for the honour of being permitted to address you and talk to you briefly about the extremely grave situation in Asia. Of course, I know you Senators and Congressmen are very much aware of the problem and indeed know some aspects of it better than I do. But I feel that there are some points which must be emphasized so I hope you will forgive me if I go over ground with which you are already familiar.

AVOIDING WORLD WAR III

What is our problem - the problem in all our minds? Is it not - how can we save the world? How can we avoid World War III without military involvement?

KOREA I, II AND III

Already we have been drawn into military struggles which have paved the way for this dreaded third - and perhaps last war. We have had Korea I - the flames of that have seared and scorched us. They are hidden under the ashes ready to leap up at any time. The flames are by no means dead there.

Now in Indo-China we have Korea II. Here, I am afraid, there is a tendency to put all the blame for failure on France. Superficially France is demoralised. But we must not forget that France has been fighting this Second Korea nearly alone for seven years. And this was a France weakened by two world wars which deprived her of the best of her manpower and much of her energy. Gentlemen - put yourselves in their position. Can you imagine the United States fighting in Korea for seven years? What would you say to the electors if year after year you had to go out to them and ask them for their sons and their money? What answer would you have?

The best solution that could be found for Korea I was a stalemate. We shall be lucky if we can reach even such an unsatisfactory conclusion in Indo-China.

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And then we shall have the next - and greatest - problem on our hands. How are we to prevent Korea III? One third of Asia is already lost to Communism. We must not lose the rest of Asia. There is still time. But gentlemen - the hands of the clock are at ten minutes to twelve. We must act at once - but we must act with a clear and certain knowledge of what we face in our minds. We must know the right questions as well as the answers. And you, gentlemen, as the legislators of the greatest country in the world must know those questions and answers when you are in Congress, when you are in Committees, and above all, when you go out to face the voters in this year's elections.

X MILITARY MEANS IMPOSSIBLE

First, we must realize that a military solution to our problem is almost impossible, Indo-China ^{- and China} and the U.S.S.R. can engulf any army as Russia once engulfed the might of Napoleon. Bombing the cities of China would have almost no military value and would psychologically turn all of Asia against us.

IDEOLOGICAL AND ECONOMIC MEANS

No - the methods we use must be ideological and economic ones. Suppose, for instance that France were to put 500,000 men into Indo-China - and the U.S. contributed 500,000 men. They would travel the 10,000 miles from France and the 10,000 miles from the United States - for what purpose? To be swallowed up in the insatiable maw of the Communist world. And the rest of Asia would turn against us.

We must understand the problems of Asia, from Pakistan to Indonesia, and then apply the right solutions to the whole area with all our energy.

ASIAN COMMUNISM

But first we must understand the facts of Asian Communism. To begin with - its extent and power.

If you look at the map you will see the extent of Russian power in Central Asia. Over the past ten years Russia has developed in the Central Asian Soviets a great industrial network of underground factories. It has been estimated that the value of this Central Asian production is 80 billion dollars a year - and we do not know how much more is being produced in Northern Asia and Siberia. This great mass of industry is concentrated

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invulnerable! Modern bombers could reach this area but their targets are invisible - and unmapped. Bombers would have to fly in daylight - circle for a long time in the faint hope of finding their objective, and would almost inevitably be shot down.

Communications in Central and North Asia have been notoriously bad in the past. But it is known that the Russians are building road systems - which would not be so greatly harmed by bombing as rail-roads - linking all this area and joining up with China.

U.S. WEAKNESS TO BOMBING

Compare this wide-spread network of power to that of the United States. You will remember the statement of President Eisenhower - that 40% of American industry could be crippled overnight. We could, of course, inflict immense damage on Russia and China. But for us it might be too late. It must not happen.

CHINESE COMMUNISM

Now let us look at the other Communist giant - at China. One thing is important, we must understand that there are differences between Russian and Chinese Communism. The strength of Chinese Communism is nationalism. The Chinese look to their past to justify their aims for the future. They were once the dominant power in Asia. They either ruled directly - or took tribute from - Korea, Formosa, Indo-China, Malaya - even Indonesia, in many cases until very recently. Indo-China had a special dependent status until 1884 and Korea was Chinese until 1900. The Chinese call their land "The Kingdom of the Middle Earth" and the Communist Chinese aim to restore it to its former position. They have the same strong emotional feelings about these lost territories as France feels about Alsaco-Lorraine - or as the U.S. would feel, to make a wild statement, if Canada were to annex Alaska.

The Chinese have already made a bid for Korea and are now doing the same thing in Indo-China, the Second Korea. The past and the present of China here join hands - the Communist ideology is reinforced by the traditions of the past.

Communism adds to this nationalism, to this sense of empire, another feeling. This feeling is of hatred, and the object of this emotion is the West. The people of China - and of all South Asia - attribute all their misfortunes -

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all their backwardness - to the wicked machinations of the Western imperialists and capitalists, and it is very easy for Communism to equate its aims with those of nationalism. Communism will free them from the hated chains of the past - Communism will enable them to attain equality with the other nations of the world - Communism will feed them where they once starved. And because it appeals to emotions that the people know and understand it is all too often successful. And China is the apostle of this new religion of hate through Asia - just as Russia is in Europe and the United States.

RUSSIA AND CHINA

This nationalist Communism in China, however, while it is not a danger to us, may be in the end a source of hope. At the present, Russia and China present a united front. But China is not a satellite of Russia and Russia has made mistakes there before. Lenin tried to introduce orthodox Marxism in 1923 and wanted to concentrate on the city proletariat. Mao ignored this policy and went to the villages where he won his power. In 1946, when the Communist armies were successful in China - with almost no help from Russia, Russia proposed they enter the Comintern. The Chinese Minister of the Interior flatly refused. He said - "We are Chinese - we are going to lead the destiny of Asia". So long as Russia helps China in its aim of industrialisation the two will remain friendly. But the Chinese are suspicious of any foreign pressure, if Russia fails in its commitments or treats China as anything but as equal there will be trouble.

GENEVA

But - at the present Russia and China are united. And this is the big mistake of the Geneva conference - we have picked completely the wrong time and wrong methods to try to negotiate. The Western world is not showing a united front - and we are trying to negotiate under the rules of Western diplomacy, when all that the East respects is the armed fist and we dare not use that fist. That is the reason why the fall of Dienbienphu is such a slap in the face to the West - not because of any great strategic value but because it lowers our prestige in the eyes of the Asians.

PROBLEMS OF ASIA

Now I would briefly like to consider the problems of non-Communist Asia. As I see it, there are four main problems. They are:

- (1) Infiltration of Communism
- (2) Fanatic Nationalism
- (3) Weakness because of the lack of capable administrators
- (4) Economic

First, infiltration of Communism. Very often this comes from the resident Chinese, who are the bankers, traders and shop-keepers of Asia. They are seldom absorbed into the country - above everything else they remain Chinese. Many of them have ideologically accepted Communism, and this wealthy influential group form a communist Fifth Column - ready to step in at the first opportunity.

Second, fanatic nationalism. In the recently independent countries of Asia, the "West" and "Capitalism" are synonyms for "Colonialism" - the symbol of everything they hate and fear. In their fight against colonialism many of the leaders realise that idealistic socialism and Marxist Communism are by no means the same thing they still cannot see the disastrous consequences of Communism. To them Russia and China are benevolent "Big Brothers". They believe that Communism has raised Russia and China from poverty and weakness to prosperity. To them, the Communist preach hope.

Thirdly, in many of these countries there is an almost complete lack of capable administrators. This problem will perhaps be remedied in time but there is the economic problem. This is so immense and baffling that it almost defies description - yet it is so basic that it must be comprehended. The West has already had a glimmering of this problem and in a tentative way has tried to do something about it; we have had President Truman's Point Four, U.S. and U.N. Technical Assistance and the Commonwealth Colombo Plan. Yet these plans seem to have accomplished very little in the material sense and they have not only not increased the pre-Western sentiment but even provoked irritation against the West. Perhaps this is a natural human reaction since the newly independent peoples have usually found to their dismay that political independence and the adoption of some forms of Western democracy has not also brought an end to their economic backwardness.

The West has also, I think, made two assumptions that are quite wrong. The first is, that if you teach a backward people business and industrial techniques they will immediately go out and do likewise. The incompetence, the laziness and the corruption of many of these peoples have been ignored or only discovered after immense frustration and loss.

There has also been the tendency to consider capital as transportable and

transplantable like a gramophone that will give music wherever you take it. But capital to be productive demands certain social and political conditions - and also certain habits of mind in the population. It is true that the West achieved an enormous advance over the rest of the world in the formation of reproductive capital because of a unique set of circumstances at a given moment in our history. But there were also three very important reasons: the puritani- cal desire to save; the strong desire to increase profit; and the mobility and adaptability of our craftsmanship. None of these conditions are to be found in South Asia at the present time.

There is the possible alternative of building up capital internally. Here we run up against another set of difficulties. Saving is the basis of capital. But 70 to 85% of the people of South Asia live by agriculture, mostly on the brink of starvation and there is absolutely no surplus for them to save. The individual effort of this group counts for almost nothing. In the second place the Asian laborer lacks the instinct for gain of his Western counterpart. He is content to live from hand to mouth and if in one day he makes enough money to buy food for two days he simply does not work on the second day. Why should he? He has enough to eat and he is supremely unconcerned if a factory or plantation is completely disrupted by the absenteeism of himself and his cousins and uncles and aunts.

However, it must be assumed that there is no capital in these areas. There is a great deal of capital - particularly in India and Indonesia - in the hands of an extremely small group. But instead of being used to make more capital as it would in the West through reinvestment it is locked up in precious stones, in gold, in land and real estate, or in export and import business. It is seldom, if ever, risked in big enterprises or industry.

INDONESIA

All of these problems are to be found in varying degrees in the countries of South Asia. But internal communism, fanatic nationalism, economic weakness and administrative chaos are all found in one country of vital importance to the West - that is, Indonesia. Indonesia is the third potential Third Korea.

It is one of the richest countries in the world. It produces rubber, tin, oil, bauxite, rice, spices and many of its resources have hardly been tapped. Materially it would be a tremendous prize for the Communist world. In addition it is of immense strategic importance. The islands stretch in an immense half-

circle from Malaya in the West almost to the Philippines in the East and Australia in the South East. If as has happened in the last war, they are in the hands of enemies of the West, they constitute a terrific threat to Australia and New Zealand and they can effectively cut off Southeast Asia with the inevitable loss of Singapore and Malaya. With all of South East Asia under Communist control, Asian Communism would be able to concentrate of India, Pakistan, the Middle East - and as I showed you earlier on the map - these areas are already gravely threatened from Soviet Central Asia. From the point of view of economic strategy the loss would also be a heavy one. Since the oil-wells of Sumatra and Borneo and New Guinea are the only ones in the whole Pacific area that lie close to the possible base of operations. It would also mean the loss of the two most valuable harbours in this area.

Gentlemen: you may think these facts have some hypothetical interest. On the contrary, it is I believe, of the utmost importance that you should keep Indonesia in the foreground on your consciousness all the time. Indonesia is ready to fall like a ripe plum into the hands of the Communists unless we forestall them. It will be our Third and most disastrous Korea if we are not on guard.

SOLUTION

What then, must be done to prevent Indonesia and all the other countries of South Asia from becoming Communist? The biggest problem is economic. But, you will say, all our previous experiments have borne little fruit. What is the use of America pouring good money after bad, or making investments only to have them nationalized, of seeing money wasted through corruption and inefficiency? We forget that these plans have all too often ignored the psychology of Asia and have tried to implant an alien economic ideal in unfruitful soil. It must be realised that Asia is undergoing two revolutions at the moment - in China and in India. The Chinese is a revolution of force - the Indian one of persuasion. Both these countries have an immense influence with Asians and they are watching eagerly to see which revolution will succeed. It must be the Indian one. Even if we do not agree with much of the Indian revolution it is the only alternative in Asia and it must therefore be supported to the hilt. An expenditure of 1% of our arms budget a year could ensure the success of the Indian experiment. It seems a small amount to pay to prevent Korea Three and perhaps World War Three.

India is only part of the economic solution, however.

There must be planning for the whole area - and it must be rigidly disciplined planning. We must recognise that we cannot transplant Western Capitalism in a wholesale fashion - that free enterprise will only droop and die. We must work with the means that fit Asia - in this case through strong government and having worked out definite plans we must be prepared to see that they are carried out. And we must not go into such an enterprise in the spirit of "Do-goodism" - or with the hope of economic gain. We must do it with the clear vision that this is a necessary expenditure - a defense expenditure if you like - and carry out the planning with the efficiency of a military manoeuver.

IDEOLOGICAL MEANS

At the same time we must bring about an ideological revolution. We must beat Moscow and Peking at their own game. As opposed to the incentive of hate we must instill the incentive of profit. We must use nationalism for the right ends instead of the wrong ones. And above all we must help the people of Asia to do these things themselves - let them know they are bringing about their own redemption. As your great President Lincoln said: "You can't help men permanently by doing for them what they could and should do for themselves". We must help Asia to do things for itself.

ASIA AFLAME AND INFORMATION SERVICE

In this area I think I can be of some use to you. I have written a book which your State Department and Information Service feel can be of value in enlightening the world to the real situation in Asia. They feel it should be published in Asian languages. But it should be adapted to the psychology of each different nation. (Your Ambassador to Thailand, Mr. Donovan, has already accomplished the publication of 500,000 pamphlets of a condensed version of "Asia Aflame" specially adapted to that country). The book should also be available cheaply - as you know, that is one of the greatest weapons of Soviet propaganda, and will therefore need subsidies since it will have to be published in editions below cost.

I am also a part of a group in Europe which is a centre for information on South East Asia. We have many experts - particularly on Indonesia, which as I have pointed out is a centre of great danger. I have here copies of a proposal for a confidential service of Indonesian information which I will

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distribute. However, you will understand that this service will need money to start with.

In this talk I have very roughly sketched some of the problems of Asia. I have prepared a second volume of "Asia Aflame" with an analysis of the political, psychological, religious and economic factors. Should you wish to see this very carefully planned and charted analysis I can make up the scheme so that you will have the facts at your finger-tips when you are before Congress and the voters. I think they might help you to draw up a plan which will be the saving, not only of Asia, but of the world.



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