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1. The Chinese are undoubtedly gaining tremendous face from a victorious assault against crack American troops in Korea, regardless of the numerical ratio between attackers and defenders and of losses in men. This will more than offset Communist unpopularity over the Chinese countryside, and will make the dream of a powerful China, the master of Asia, a tantalizing possibility at least to the leadership of the lower social levels, even though it may not create a new ambition for the masses.
2. One immediate objective on the part of the Chinese military leaders is humiliation as complete as possible of General MacArthur. There is no thought of stopping at the 38th Parallel. As American troops retreat the Chinese may leave a way for them to escape, or they may head them off from the sea in order to make the supremely humiliating offer to MacArthur of their repatriation. There have already been examples of their offering to repatriate captured American troops, survivors of a fierce massacre. It will be remembered that in the final stages of the civil war on the mainland the Chinese Communists began to show a reasonableness in taking such cities as Peiping and a magnanimity toward Nationalist officers and troops, which was really a kind of humiliation through contempt.
3. The moral-force approach of the Indian Government and Indian leaders in their efforts to arbitrate the Korean war is as false as it was when attempted by Kuomintang personages, such as Mme. CHIANG Kai-shek when she held that if the West would supply the material the Nationalists and other anti-Communist Chinese would supply a superiority of morality. That the Indians should put themselves forward as the benevolent, non-violent arbitrators between the biased and self-centered contestants in this world struggle shows only the

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weakness and basic confusion of Indian society. The Chinese cannot be expected to be swayed at all by what the Indians have to say. The Chinese response to India's regret over the invasion of Tibet is only another proof of their position that Tibet is another suzerainty which they are reclaiming now that they have the strength.

4. The world is now seeing China getting on its feet. The Chinese Communist soldiers have shown that they are good soldiers and can fight; it is, moreover, a foreign misconception to believe that their fanaticism and fierceness in battle is the result of taking opium.
5. The Chinese Communist propaganda against American imperialists and their running dogs is going down well with the people and furnishing a moral foundation for war with the United States to the degree where the Chinese leaders consider they now have a holy war. The bases of their charges of American imperialism go back to the declaration of the policy of the open door, which they interpret as meaning that the United States has claimed the benefits of anything ever wrung from the Chinese, and more recently to United States grants of economic aid to the Nationalist regime, which is considered the most corrupt of all Chinese governments, and which aid wiped out all semblance of independence the country had.
6. Alliance with the Soviets furnishes China with the opportunity to fulfill her ambitions of territorial and power gain. The Soviets gain in the same way. There is no question but that there is danger to the Chinese in Soviet expansion, but the Chinese will take the chance, though not blindly. The Soviets may be expected, on their part, to play a very cautious role in China, making full allowance for long-existent and well identified Chinese sensitivities. If China were simply the slave of the USSR the American position would be simplified. A China with its own ambitions, with strength, and acting in concert with the USSR is a different matter.
7. Observing the Chinese Communist Government's relations with established foreign trade in China leads to the conclusion that they would cut off all foreign trade without compunction if they so desired. It may be that economic independence is a basic aim of the Chinese Communists. Shanghai may be a dead city, Tientsin in difficulties, but the country at large is getting along well. Industrialization will eventually come; the Chinese are probably planning to use the Japanese, whose efficiency in this field has been proved in Manchuria. The Chinese are confident that Japan will ultimately come over, since Japan is economically tied to Asia, and the United States cannot or will not support the Japanese people as they must if Japan cannot trade with the mainland.
8. In conclusion it must be added that many Chinese have been confused by the picture of China now and in the immediate past, as much as, or more than the Americans. Reports from China have often been contradictory. It is possible that the Chinese Communist leaders have been able to conceal their territorial ambitions successfully, to be brought out only as they develop. At the first demonstration of substantial gain in territory and power the reaction of the Chinese people will certainly be to jump on the bandwagon.

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