Throughout the Cold War the United States tried to contain or crush movements that it perceived as threats to U.S. economic or security goals in Europe, in Asia, in other parts of the so-called Third World, and at home.\(^1\) Communists, nationalists, fellow travelers, neutralists, and activists for democracy and human rights, at various times, felt U.S. wrath in the half-century after 1945. In no place, however, did U.S. efforts to assert its own interests and thwart the will of the native population occur as intensely or tragically as in Vietnam. Though a small, underdeveloped country—haunted yet driven by a history of foreign conquest and resistance—and of little interest or concern to U.S. policy makers in the aftermath of World War II, Vietnam became the site of the most violent struggle of the Cold War era. While the country itself meant little strategically or economically in its own right, Vietnam became part of the much larger conflict that the forces of capitalism and communism were waging. In the end, by remaining ignorant of Vietnamese history, politics, and culture, by constantly pursuing a military solution despite advice to the contrary by ranking officers, by failing to address the divisions at home caused by the war, by dismissing the warnings of allies about the economic consequences of global hegemony and intervention, by failing to see Vietnamese nationalism and communism on their own terms and instead viewing those forces through the lens of the Cold War, the United States ironically managed to do to itself what its enemies had not been able to do for two decades after World War II: seriously weaken U.S. power and prestige, curb U.S. growth, and curtail U.S. hegemony in the world political economy.
Vietnam—Text and Context

As pointed out, Vietnam was part of a larger struggle, a pawn, as it were, in a geopolitical chess game. The major powers each saw in Vietnam a country that could be used to promote their own interests or those of important allies. Recall that Vietnam became an important international issue only after World War II. During those years in the late 1940s, U.S. officials were trying to reestablish a stable world system but at the same time restructure it according to U.S. needs. The United States believed it imperative to rebuild former enemies like Germany and Japan along capitalist and democratic lines. In this effort to create a new world (liberal) order, smaller countries, like Vietnam, became objects of interest. Future economic prosperity, if not hegemony, would depend on creating an integrated world market. Where colonial areas earlier in the twentieth century might have been attractive principally as sources of raw materials or cheap labor, in the postwar economic environment they would serve as important areas for investment and regional development. Vietnam’s development along anticommunist lines, for instance, would be essential for the re-creation of capitalism in Japan and to keep the French appeased in Europe. Thus, this chapter will, more than most studies, pay attention to the economic factors involved in the Vietnam War: the need to use all of Southeast Asia, not just Vietnam, as a means of rebuilding Japan, and ultimately the drain on U.S. resources that the war would become. It will also stress the global nature of the war. In the past few years, documents from archives in ex-communist nations and from China have begun to increase our understanding of the Cold War and, in the case of places like Vietnam, the hot wars that attended it. Since Vietnam by itself was never of cardinal importance, understanding the ways in which the other powers involved—the Soviet Union and People’s Republic of China (PRC), not just the United States—viewed the conflict and the respective parties at war will help provide a more satisfying explanation of the war in its broader sense. Indeed, some of the more exciting new work on the Vietnam War is beginning to be done (and will be done more and more) on the questions of the global nature of the war and its economic impact. They help us gain a more holistic sense of the United States’s longest and, in most ways, most futile war.

Nationalism, Communism, Containment

Before trying to understand the U.S. war, and ultimate failure, in Vietnam, it is imperative to examine the traditions of nationalism, communism, and
resistance prior to the U.S. involvement there in the wake of the Second World War. While U.S. policy makers saw Vietnam within the context of containment or capitalist growth, the Vietnamese viewed their struggle as another round in a historical process that had already lasted over two millennia. Since the second century B.C., when Chinese forces conquered Vietnam, until the twentieth century, a parade of foreign invaders—the Chinese repeatedly, Mongols, Portuguese, French, Japanese—had tried to control the states of Indochina: Vietnam, Laos, and Cambodia. All eventually met nationalist resistance and ultimately failed. U.S. policy makers, it seemed, were ignorant of this history and intervened in Vietnam expecting to get their way without undue trouble. After all, how could a small agrarian nation resist the power of a global giant like the United States?

But to the Vietnamese, the United States was, like the French or Japanese occupiers during World War II, essentially another foreign interloper. By that time also the Vietnamese had developed a rich tradition of protest against outside forces and the political organization to make resistance effective. From the late nineteenth century onward, poets and warriors—in verse and with arms—had challenged French colonialism and Japanese tyranny. As legend has it, the young Nguyen That Thanh—later known to the world as Ho Chi Minh—sat at the feet of the respected poet and nationalist Phan Boi Chau, who asked, “Shall we remain silent and thereby earn the reputation of cowards?” The answer was obvious to Ho, who, as an expatriate in France and later in Beijing and Moscow, organized anticolonial groups, established the “League of East Asian Oppressed Peoples,” and was a founder of the Indochinese Communist Party (ICP). Throughout the 1930s and 1940s, then, Ho was developing the foundation for both national liberation and revolution, the combined forces of which would face the U.S. forces a generation later.

Indeed, perhaps the United States’s greatest blunder was its inability to recognize both the nationalist and socialist nature of the Vietnamese resistance, later organized as the Viet Minh. Never doctrinaire, Ho merged a class analysis and a program for land redistribution (the key issue in Vietnamese society) with popular front politics and an appeal to all anti-French elements to join the cause. Ho himself had no inherent animus against the United States either; in fact, encouraged by Woodrow Wilson’s call for self-determination during the Great War, the expatriate in Paris had tried to get an audience with the U.S. president during the postwar conference at Versailles. In 1945, when Ho declared Vietnamese independence after the defeat of the Japanese, he had positive relations with U.S. military and intelligence officials, quoted at length from the U.S. Declaration of Independence during
his own address marking Vietnamese sovereignty on 2 September 1945, and even sent telegrams to President Harry S. Truman seeking U.S. amity and recognition.3

To U.S. leaders, however, Vietnamese independence was not an important issue, and they saw Ho as a communist in any event. And indeed the Viet Minh was organized by most of the individuals who had established the ICP, while Ho himself had been supported by both the Soviet Union and the Chinese Communist Party in the past and would be even more so in the coming years. But Ho had never relinquished Vietnamese sovereignty to other communist parties or nations in return for aid. In fact, he had acquiesced in the restoration of French control in Indochina after World War II because, hated as the French were, the Chinese were worse. "Don't you remember your history?" he asked his comrades. "The last time the Chinese came, they stayed a thousand years. . . . Colonialism is dying. The white man is finished in Asia. But if the Chinese stay now, they will never go. As for me, I prefer to sniff French shit for five years than eat Chinese shit for the rest of my life."4

Ho had problems with the Soviet Union as well. While in exile in Moscow in the 1930s, Ho earned the suspicion of Stalin because he placed nationalism and peasant socialism above proletarian, Soviet-style, and Soviet-directed revolution and lobbied for a broad-based popular front against the French. In fact, Ho insisted that the ICP not take over the resistance but instead remain "its most loyal, active and sincere member."5 Ho's differences with other communists were never so evident as in 1954 when—after the Vietnamese had defeated French forces in the decisive battle of Dien Bien Phu and had apparently gained independence—the Soviets and Chinese refused to support Vietnamese liberation during an international conference at Geneva, thus forcing Ho to accept the partition of the country at the seventeenth parallel, with him and the Viet Minh in control in the north and, subsequently, a U.S.-sponsored political entity in the south.

U.S. officials, however, did not appreciate Ho's distance from Stalin or Mao and treated him simply as a communist myrmidon of the other Red powers rather than as an "Asian Tito"—a term bandied about with some frequency in the 1940s and 1950s. Once World War II had ended and the U.S.-Soviet alliance had broken down, the United States, per George Frost Kennan's formulation, would pursue a strategy of containment against communism, first in Eastern Europe and then at all points along the globe. Containment really did not allow for nuance or interpretation, so Ho's communism was determinative, and his policies in the 1950s—the establishment of a centralized Communist Party in the north and land reform in particular—just
hardened U.S. opposition. Even more, U.S. responses to Vietnam developed out of the larger context of the Cold War, especially the need for European security and Japanese recovery.

Though U.S. leaders had mouthed anticolonial rhetoric in World War II, the White House and State Department had supported the return of France to power in Indochina in 1945–46. Fearing the emergence of communist parties and trade union movements in Western Europe, and especially in France where the Communist Party and labor were strong, the United States would placate the French by acquiescing in their renewed control over Vietnam. For U.S. foreign policy makers, this was a no-brainer, since a French role in containing the European Left was exponentially more important than Vietnamese autonomy. Ironically, however, U.S. military officials, who agreed on the primacy of French interests, argued against supporting their return to Indochina, claiming that it would divert resources and attention away from their principal mission, containment at home. The civilians won out, however, and the United States began to back the French, sending about $25 million in 1950, which rose to nearly $1 billion by 1954.  

The Vietnamese, however, continued to resist the French, politically and militarily from 1946 to 1954, so the U.S. aid did not rescue France's position in Indochina. By 1954, then, the Viet Minh were on the verge of victory; hence the expedient agreement at Geneva to divide the country, temporarily, until nationwide elections could be held in 1956. That plebiscite never happened, though. Aware of Ho's popularity and support on both sides of the seventeenth parallel, U.S. officials and their Vietnamese allies canceled the vote, ensuring the continued partition of Vietnam, with a disgruntled nationalist-communist state—the Democratic Republic of Vietnam (DRV)—in the north and an artificial "country"—the Republic of Vietnam (RVN)—cobbled together by the United States in the south. Complicating U.S. efforts at containment in Vietnam, the southern regime was led by an autocratic mandarin, Ngo Dinh Diem, whose repression and corruption would be a great recruiting tool for the enemy Viet Minh. By the mid-1950s, then, the United States was on a collision course with the forces of liberation and revolution in Vietnam.

Capitalism and Communism in Asia: The Vietnam Connection

Just as Vietnam was a pawn in European politics, it had a subordinate role in Asia but was pulled into conflict due to the United States's larger goals in that region. As the United States surveyed Asia after the war, it had two major goals: to reconstruct Japan along capitalist, pro-U.S. lines, and to contain
communism, especially in China. U.S. success in the first objective was offset by failure in the second as Mao Zedong's communists proclaimed the People's Republic of China (PRC) in 1949. Hence, by 1950, the United States, prompted by the need to develop markets in Southeast Asia, the area in which Indochina was located, and to keep the PRC from spreading its ideology and "exporting revolution," had assigned Vietnam a key role in its Asian policies.

The most pressing problem facing the United States after World War II was the so-called dollar gap. The United States was the only power to emerge from the hostilities stronger than it entered and was producing more goods than domestic markets could absorb (as in the 1890s). But European nations lacked adequate dollars to purchase the U.S. surplus. The United States needed to somehow get dollars into foreign hands so that other nations could in turn buy U.S. goods, but Congress, especially after appropriating $17 billion in Marshall Plan money in 1948, was reluctant to expend another huge sum of money on foreign aid. Still, without some type of support, U.S. officials feared, the Europeans would probably erect trade barriers against U.S. goods as they did during the 1930s, thereby exacerbating the Great Depression.⁷

Complicating, and connecting, such matters, the United States had also been subsidizing Japanese recovery since 1945 but by 1950 was hoping to wean Japan off U.S. funding and to connect it, as before the war, with other Far Eastern economies such as those in Southeast Asia, including Vietnam.⁸ On this issue—the need for Southeast Asian markets—European and Japanese interests merged. Not only could the Japanese profit from trade with other Asians, especially since plans to link the Japanese and Chinese economies fell by the wayside with Mao's victory, but British recovery was linked to Southeast Asia as well. In the aftermath of the Second World War, British debt was growing rapidly, to a large extent because the flow of dollars from its colony in Malaya had been cut off, first because of the Japanese occupation during the war and then because of reconstruction difficulties afterward. To remedy Malaya's economic ills, the British began to pour money—£86 million between 1945 and 1949—into the country and to pressure the United States to offer economic aid and to increase imports of Malayan tin and rubber. U.S. purchases would then provide the dollars that the British could use to purchase goods from the United States.⁹ As Seymour Harris, an economist on the government dole at the time, explained, "A gradual transfer of aid from Western Europe to the underdeveloped areas [such as Southeast Asia] will contribute towards a solution of the dollar problems of both Europe and the underdeveloped areas." "A vigorous foreign aid program,"
Harris concluded, was necessary "for a prosperous America." Southeast Asia, then, could serve a dual purpose: providing markets and materials to Japan and helping fix the dollar gap for Europeans.

Vietnam was crucial to this process for two reasons. First, it too could provide raw materials and become a source of dollars for the French and could become a market for and offer materials to Japan. Second, the issue of communism in Asia touched directly on Vietnam. Within Southeast Asia after World War II, there were two communist insurgencies directed against European colonial powers—in Malaya against the British and in Vietnam against the French. While British leaders were not enthusiastic about France's return to Indochina, they even more feared that Ho's revolution would succeed and that Laos, Cambodia, Burma, and Thailand would then, like falling dominoes, fall to the Reds as well, thereby putting intense and direct pressure on Malaya. Once more, Ho's movement for national liberation became a target of U.S. opposition not because of events in Vietnam so much as because of the United States's need to develop a world system in which capitalist markets would be protected and nationalist-communist movements would be contained.

While the Vietnam War was being fought in the 1960s and 1970s, U.S. leaders contended that it was imperative to fight there to defeat communism. But there were then, and there remain today, important questions about Ho's own version of communism, his commitment to expand Vietnamese control elsewhere, and his relationship with other communist states. In the past few years, with the opening of Chinese and Soviet archives, the work of Chinese and Soviet scholars such as Qiang Zhai, Chen Jian, and Ilya Gaiduk, and, importantly, the articles and documents put out by the Cold War International History Project, we have begun to learn more about some of these issues. While Ho never accepted direction from the Soviet Union or China, he did rely upon them, especially China, for advice and support during the Viet Minh struggle against France and the later war against the United States. Through the 1950s, the Soviet Union did little to aid the Vietnamese liberation-cum-revolution, with the exceptions of recognizing the DRV in 1950 and offering light material support in the Vietnamese war against France. After Dien Bien Phu, the Viet Minh's military commander, General Vo Nguyen Giap, traveled to Beijing and met with both Chinese and Soviet military advisers, with the Soviets advising peaceful coexistence between northern and southern Vietnam and urging Hanoi to "reunify the country through peaceful means on the basis of independence and democracy."

The Chinese, however, had offered important support to Ho in the war
against the French (about one thousand tons of material monthly, according to U.S. military sources), though not nearly as much as the United States was giving the French, U.S. officials conceded. Ho, with a traditional Vietnamese distrust of the Chinese, but also needing aid from Mao, had a somewhat ambivalent relationship with the PRC. In 1955, as the Soviets were urging compromise, Chinese military advisers told the Viet Minh to expect Western sabotage of the Geneva accords and elections planned for 1956 (they were right!) and to prepare for a protracted struggle for liberation. A year later, however, the PRC government withdrew the Chinese Military Advisory Group from Vietnam when Le Duan, a party official in the north, attacked Truong Chinh, the General Secretary of the Vietnamese Workers’ Party and head of the land reform program, for applying Chinese models of agrarian reform—which had failed and led to repression and killing of Vietnamese peasants—without taking into account “Vietnamese realities.” And later that year, Le Duan replaced Truong Chinh as general secretary, a possible sign of Vietnamese disaffection with the PRC. Despite that controversy over the adaptability of Chinese land reform to Vietnam, Ho continued to seek advice from PRC leaders, who were apparently paying more attention to “Vietnamese realities” when they urged the DRV to develop its agricultural sector before industrialization and to refrain from Chinese forms of agrarian collectives. As Zhou Enlai counseled, “Such changes must come step by step.”

In the late 1950s, both the Soviet Union and the PRC were urging Ho to be cautious with regard to any forced attempt to unify Vietnam—advice that dovetailed nicely with Ho’s own conservative tendencies on that matter. After a Vietnamese request to analyze their plans for the south, Chinese communist leaders responded that the “most fundamental, the most crucial, and the most urgent” task was to rebuild and develop socialism above the seventeenth parallel. In the south, PRC officials advised Ho, the anti-Diem activists should conduct “long-term” preparations and “wait for opportunities.” Although dispensing advice freely, the communist powers, as General Tran Van Don, an aide to Diem in the south, conceded, were giving only limited material support to Ho, still dramatically less than the United States was supplying to the RVN. In the south, however, remnants of the Viet Minh, suffering under the Diemist repression, were pleading with the communist leadership in Hanoi to sponsor and fund an armed insurgency in the south. Ho, as William Duiker’s work over the years has shown, wanted to move more slowly than the southern insurgents, and the RVN itself did not fear northern aggression below the partition line or a significant increase in DRV aid to the anti-Diem movement. Apparently, the new documents show, the Chinese and Ho were on the same page.
By 1960, however, both Ho and the Chinese began to see the efficacy of armed struggle against Diem, with Hanoi acquiescing at the end of the year to the establishment of the southern-based National Liberation Front (NLF). It is not clear whether one side convinced the other or the PRC and DRV came to the same conclusion about armed insurgency on their own (which is probably more likely), but in a May 1960 meeting, Zhou Enlai, Deng Xiaoping, and the Vietnamese now saw the need for combining intensified political organization with armed struggle. By 1961, with a new U.S. president ready to significantly expand the U.S. role in Vietnam, communists in Vietnam, and China, were prepared to meet John Kennedy’s challenge. During a 1961 visit by the DRV’s premier, Pham Van Dong, to China, Mao Zedong expressed general support for armed struggle in southern Vietnam. The war in Vietnam was about to expand.

**Vietnam and the Communist Powers**

As U.S. support and aid to the RVN increased and its military involvement grew correspondingly, Ho continued to make contacts with the PRC and Soviet Union and looked to them for more assistance as well. The Chinese especially had been helping the Viet Minh and NLF in the 1950s and early 1960s, providing the DRV and NLF with 270,000 guns, over 10,000 artillery pieces and millions of artillery shells, thousands of wire transmitters, over 1,000 trucks, aircraft, warships, and uniforms; in fact, one of the U.S. justifications for its own increased role in Vietnam was such PRC involvement. Thus, by 1964–65, as Qiang Zhai has shown, “Beijing perceived substantial security and ideological interests in Vietnam.” Remembering Korea, Mao feared a U.S. military role in Vietnam, so close to the PRC’s own borders, and was ideologically committed to supporting the Vietnamese liberation movement. In mid-1964, Mao thus told officials of the northern People’s Army of Vietnam (PAVN) that “our two parties and two countries must cooperate and fight the enemy together. Your business is my business and my business is your business. In other words, our two sides must deal with the enemy without conditions.” Beijing even placed some military units near the Vietnamese border in a state of combat readiness and sent jets to Hanoi, arranged to train Vietnamese pilots, and offered sanctuary and maintenance for DRV aircraft.

In October 1964, Pham Van Dong, Ho’s closest adviser, met with Mao in Beijing and explained that his strategy was to restrict the war in the south “to the sphere of special war” (i.e. insurgency war), avoid provoking a larger U.S. intervention, and prevent the war from expanding above the seventeenth
parallel. Mao was unimpressed by the U.S. potential to thwart the insurgency in the south and predicted that, if it engaged the DRV, the United States would “fight for one hundred years, and its legs will be trapped.” Mao accordingly approved of the Vietnamese plans and suggested to Pham Van Dong that “you must not engage your main force in a head-to-head confrontation with [U.S. forces], and must well maintain our main force. My opinion is that so long as the green mountain is there, how can you ever lack firewood?” A few months later, Zhou Enlai elaborated on Mao’s advice, telling a Vietnamese military group to attack U.S. main force units as they conducted mopping-up operations “so that the combat capacity of the enemy forces will be weakened while that of our troops will be strengthened.” General Giap already understood this approach and was adept throughout the war at drawing U.S. forces into battles in which the PAVN held the initiative and was able to inflict heavy casualties. Ironically, one U.S. war leader, Defense Secretary McNamara, saw the war in similar ways to Mao and Pham Van Dong. In November 1965, after the so-called victory of U.S. forces at Ia Drang, he recognized that the PAVN was avoiding main-force engagements and was attacking only at opportune moments. Even with a larger concentration of U.S. forces in Vietnam, as military commanders were requesting, Giap’s strategic successes made it more likely “that we will be faced with a ‘no-decision’ at an even higher level.”

McNamara’s fear, an expanded war in Southeast Asia, was, conversely, China’s threat and advantage. Promising to “go to Vietnam if Vietnam is in need, as we did in Korea,” Zhou warned that “the war will have no limits if the US expands it into Chinese territory. The US can fight an air war. Yet, China can also fight a ground war.” Lyndon Johnson understood that as well, and prudently, as Qiang Zhai correctly observes, did avoid provoking the PRC to the point of intervention. Indeed, during discussions with his military chiefs regarding reinforcements in 1967, the president asked, “At what point does the enemy ask for [Chinese] volunteers?” General Earle Wheeler, the chair of the Joint Chiefs of Staff, could not reassure Johnson, agreeing that China could easily send troops into Vietnam in support of the DRV-NLF effort.

Chairman Mao, recognizing Washington’s reluctance to more recklessly expand the war, was thus predisposed to help the Vietnamese more. In mid-1965, he met with Ho and agreed to help the DRV build roads to transport supplies into the south. He also recommended that the DRV “know how to escalate step by step,” by destroying first a platoon and then a company, then a battalion, and then a large regiment or two. Though offering advice, Mao was impressed with the Vietnamese efforts, complimenting a delegation
from Hanoi that “you are fighting an excellent war. Both the South and the North are fighting well. The people of the whole world . . . are supporting you.” The chairman also warned that the United States had the means to escalate the war and make things difficult. “Therefore,” he urged, “there are two essential points: the first is to strive for the most favorable situation, and the second is to prepare for the worst.”

While counseling patience, the Chinese also believed that a late 1965 U.S. proposal to negotiate was insincere, that U.S. officials “just want to open talks to deceive public opinion.” The northern Vietnamese would thus need to continue the strategy of protracted war because, as Zhou later explained, “Patience means victory. Patience can cause you more hardship, more sufferings. Yet, the sky will not collapse, the earth will not slide, and the people cannot be totally exterminated.” To facilitate Vietnam’s patient struggle, the PRC also agreed to send a small number of Chinese military personnel—sending in command, logistics, engineering, and political training help—to southern Vietnam. Around the same time, however, Zhou had to apologize to Pham Van Dong for a series of border crossings into Vietnam by the Red Guard, young zealots eager to fight U.S. forces during the Cultural Revolution.

As the United States escalated its war in Vietnam, then, the Chinese increased their aid to the DRV—though to nowhere near the levels of U.S. support to the southern regime (the United States by the late 1960s was spending upward of $25 billion annually on Vietnam). By 1967, with over four hundred thousand U.S. troops in Vietnam, U.S. air attacks, including B-52 bombers, pounding the country on both sides of the seventeenth parallel, and both villagers and city dwellers experiencing constant hardship, it was no longer a “special war” in Vietnam but a U.S. war with growing outside communist participation. Zhou Enlai and Mao were optimistic despite the huge U.S. role. “The US is afraid of your tactics,” Mao observed. “They wish that you would order your regular forces to fight, so they can destroy your main forces. But you were not deceived. Fighting a war of attrition is like having meals: [it is best] not to have too big a bite.” Apparently to aid digestion, the Chinese also agreed to supply the DRV with one hundred thousand tons of rice and fifty thousand tons of corn as part of the total PRC contribution of over five hundred thousand tons of food in early 1967 already.

While the PRC maintained a high level of interest in the war in Vietnam from the outset of the war of liberation in the 1950s, the other communist power, the Soviet Union (USSR), was initially more distant from the conflict. While offering recognition and some support to the DRV, the Soviets did not match the level of Chinese interest. In the aftermath of the 1962 Cuban
missile crisis, U.S.-Soviet relations had improved noticeably, and the Soviets had minimized their role in Vietnam, which—along with Soviet suspicions that Ho was too close to Mao—caused a chill in the Kremlin’s contacts with the DRV through 1964. That year, however, the ouster of Nikita Khrushchev and Leonid Brezhnev’s assumption of power prompted the USSR to reevaluate its Vietnam policies and become more deeply involved in support of the DRV. In part, the Soviets did not want to lose influence in Southeast Asia or relinquish their role as primary communist power to the PRC. Toward that end, the Soviets began to publicly denounce the “American aggression” in Vietnam and to increase their military and economic assistance to the DRV and NLF. Between 1963 and 1967, the Soviets sent over one billion rubles worth of military supplies to the Vietnamese, shipped German-, and then Soviet-, made arms to their “Vietnamese friends,” and sent surface-to-air missiles, jets, rockets, field artillery, and air defense technology to Ho. Economic aid flowed as freely, with the Soviets providing 50 percent of all aid to the DRV by 1968, with a total package to that point of over 1.8 billion rubles. The Vietnamese, while appreciative of Russian help, tried to exploit the friendship of both the Chinese and the Soviets. Vietnamese leaders Le Duan, Pham Van Dong, and Vo Nguyen Giap, among others, formed a working group in 1964–65 to determine ways to gain support from both communist powers while avoiding Chinese imperialism and an overreliance on the USSR. The Chinese and the Soviets recognized Vietnam’s political strategy and, for their part, were using the DRV as part of their own struggle against each other. To the Soviet Union, Hanoi’s interests were parochial—national liberation rather than international socialism—so the Soviets had to “drag” the Vietnamese to “greater friendship and independence [from China].” Soviet frustration was understandable, give the level of support it was giving to the DRV and NLF compared with its influence in Vietnam. As a Vietnamese journalist estimated, the USSR provided Vietnam with about three-quarters of its total outside aid, yet Soviet influence was less than 10 percent.

Chinese and Soviet differences regarding Vietnam were part of a larger communist debate over the role of the two powers in developing socialism elsewhere. The PRC in the 1960s had assumed the mantle of revolution, while, as the Chinese saw it, the USSR was a stagnant bureaucratic state. Le Duan understood this and tried to take a middle path. Soviet help was “partly sincere,” he told Zhou and Deng, and he disagreed with the Chinese on the nature of Soviet support. “You are saying that the Soviets are selling out Vietnam, but we don’t say so,” Le Duan asserted; “all other problems are rooted in this judgment.” But he more strongly praised the PRC role in Vietnam, noting that there were already over one hundred Chinese military
personnel in northern Vietnam and that the DRV felt confident that it could ask for several times that many if needed. Such support, Le Duan acknowledged, was based on “internationalism, especially in the context of relations between Vietnam and China. . . . We need the assistance from all socialist countries. But we hold that Chinese assistance is the most direct and extensive.”

And the PRC wanted to keep it that way. To Zhou Enlai, Vietnam’s war against the United States was part of a larger political conflict between China and the USSR. “The closer to victory your struggle is,” he told a Vietnamese delegation in Beijing, “the fiercer our struggle with the Soviet Union will be.” Anticipating failure, Zhou predicted, U.S. officials would probably try to forge an agreement that would leave them in control of some parts of the RVN, a situation of “not losing totally.” In this case, the “Soviet Union will give up” and not defend Vietnamese interests, just as Josef Stalin had not supported the Chinese revolution against Jiang Jieshi at the conclusion of World War II. While Zhou’s charges about a Soviet sellout lacked substance, it was true that the USSR was encouraging Hanoi to seek a diplomatic-political, rather than solely military, solution by 1966–67, serving as a “postman” in passing along requests and information from the United States to the DRV and acting as a “night watchman” in facilitating informal contacts between U.S. and Vietnamese officials. But the Soviet Union could not convince Ho to hold talks with the enemy to end the war. The DRV did not expect to lose, and it did not believe that the United States would accept its main demands, while, in the socialist camp, the Vietnamese did not anticipate any change in China’s support for its war. Thus, the Vietnamese position on negotiations was always closer to the PRC’s than the USSR’s. The Soviets, however, understood Vietnam’s logic and did not press Ho too much to change his approach. “China is situated close to Vietnam, whereas the Soviet Union is far away,” the Soviet embassy in Hanoi acknowledged, and “Vietnam would be hard pressed to do without Chinese assistance in its struggle and in future peaceful construction. So it would be premature to ask the Vietnamese now to state their clear-cut position with respect to the USSR and China.”

The Chinese did expect the Vietnamese to choose, however, and even claimed “proof” of Soviet perfidy toward Vietnam. In May 1967 the USSR asked that a Soviet shipment of twenty-four fighter jets—twelve MiG-17s and twelve MiG-21s—be transshipped by air over Chinese territory. The PRC vetoed the idea, arguing that the Soviets were playing a double game—trying to publicize their support of the revolution in Vietnam but also tipping off U.S. spy planes in the area. The Soviets, China’s Deputy Foreign Minister
Qiao Guanhua charged, “want to be boastful to the US” about their aid to Vietnam while “publicly revealing military secrets to the enemy.” The proposal, he concluded, “has bad intentions and is a conspiracy.” Given such views, the Vietnamese had a difficult task in maintaining support from both the PRC and the USSR without taking an explicit stand on the conflict between the communist giants. The Vietnamese, “walking a tightrope,” as Qiang Zhai put it, relied on the supply of Soviet weapons and other aid but did not want to damage their ties with the PRC or revive traditional Chinese aggression toward Vietnam. Ho, the master strategist who had played off France, China, Japan, and the United States for several decades already, had once again done so, acquiring significant aid from both the Soviet Union and China but never relinquishing Vietnamese sovereignty in the process. Meanwhile, the war against the United States raged on, with the stakes for all sides increasing on a steady basis.

**Vietnam and the Crisis of Capitalism**

By the late 1960s, U.S. leaders had been monitoring the economic effects of military intervention in Vietnam for some time already. The war was exacerbating a deep deficit in the U.S. balance of payments (BOP)—the amount of U.S. money moving abroad, in the form of tourist dollars, investment capital, or military spending, for instance—thereby weakening the dollar and prompting foreign governments to cash in their U.S. currency for gold, which in turn undermined the international monetary structure. The eminent business historian Louis Galambos has argued that Vietnam “was the most debilitating episode in the nation’s entire history, more expensive in its own special way than World Wars I and II combined.” An examination of the economic legacy of Vietnam in the 1960s offers ample evidence to support such claims.

After World War II, the United States had established global hegemony based on the confluence of its military power, economic growth, and political liberalism, and for a generation afterward it maintained a dominant position in the world political economy. By the mid-1960s, however, the United States’s role was changing, principally as participation in the Vietnam War grew and caused greater BOP deficits and shortages in U.S. gold reserves. By 1968, the postwar system was entering a crisis phase as the Tet Offensive and the so-called gold crisis converged to transform the international system and create new political relationships at home. The events of 1967–68, it is not an exaggeration to suggest, marked the evolution of the United States’s postwar role from that of unrivaled and prosperous imperial power to “first among
equals” in a system of “shared hegemony.” At home, the spiraling economic growth brought on by two decades of military Keynesianism could not be sustained in wartime, and U.S. capital began to flow overseas, to the detriment of domestic workers. By itself, Vietnam was calling into question the United States’s military power and world leadership. At the same time, the Bretton Woods system experienced the greatest crisis since its founding. Created near the end of World War II, the Bretton Woods system established the dollar as the world’s currency, fully convertible to gold at $35 per ounce and exchangeable with other currencies at stable rates based on the gold standard. Throughout the Vietnam War, however, the world monetary system was in disequilibrium or disarray, both as a result of the chronic and escalating BOP problem and, more critically, because of continuing runs on U.S. gold.

From the early 1950s onward, the United States experienced constant BOP deficits. Initially, they had a positive effect, exporting capital to facilitate European reconstruction and create markets. The so-called dollar gap, however, began to weaken the dollar, and by the early 1960s politicians began to look for ways to confront and solve the growing deficits, but attempts to pare it were futile. Although reductions occurred in 1965 and 1966, “the emergence of war in Southeast Asia,” as Secretary of the Treasury Henry Fowler explained, “prevented the United States from approaching equilibrium in those years.” Such imbalances grew in concert with the intensified commitments to Vietnam, a war costing in the vicinity of $20 to $25 billion per annum by 1967–68, and thereby made it impossible to improve upon the shortfall or, because of the inflationary impact of the war, stem the outflow of gold from the United States. U.S. gold reserves, $23 billion in 1957, dropped to $16 billion in 1962 and decreased progressively thereafter. In 1965 alone, foreign central banks had redeemed dollars for $1.7 billion in gold. At the same time, European governments began to openly criticize the U.S. war in Vietnam. French officials especially complained that Vietnam-induced BOP deficits and inflation, which averaged about 5 percent during the Vietnam era, were undermining their own economy. The British government felt likewise, prompting Johnson’s national security adviser, McGeorge Bundy, to charge that the British were “constantly trying to make narrow bargains on money while they cut back on their wider political and military responsibilities. . . . There is no British flag in Vietnam.”

Throughout 1966 and 1967, however, the BOP deficits grew, gold continued to leave the United States, and foreign flags were still absent from Vietnam. Inflation was rising as well, causing a major increase in the cost of
the war, increasing import demand, and decreasing exports. The U.S. share of world trade, which had approached 50 percent after World War II, was down to 25 percent in 1964 and fell to just 10 percent by 1968. Treasury officials also estimated that the BOP deficit would continue to soar due "entirely to our intensified effort in Southeast Asia" while "a further $200 million increase in [military] expenditures may occur next year [FY 67] and worsen the projected deficit by that amount."

Then, in 1967, a full-blown monetary crisis emerged. Speculators, rather than member nations of a multinational "gold pool," were absorbing virtually all the world's new gold production, leading to a run on U.S. gold reserves—$1.2 billion in 1967 alone. President Johnson, like his predecessors, vowed to maintain full convertibility at the par value of $35 per ounce. The French, more alarmed than ever about Vietnam-induced inflation, advocated a higher gold price and began cashing in their dollars. More critically, Britain devalued its pound sterling in November 1967. The British devaluation—lowering the price of the pound from $2.80 to $2.40—created a monetary crisis. Speculators anticipated an increase in the official price of gold, so they withdrew $641 million—60 percent from U.S. reserves—from the gold pool in the week of 20–27 November, and National Security Adviser Walt Rostow warned the president to "expect further heavy losses this week."

Facing economic pressure abroad and at home, Johnson acted on 1 January 1968, announcing a program to reduce the BOP deficit by $3 billion in 1968 by tightening regulations on the export of capital, asking U.S. citizens to travel abroad less, and cutting back on foreign and military assistance. He did not mention Vietnam, perhaps because, as Treasury officials earlier understood, the "European monetary authorities do not accept the Vietnam War as a justification" for U.S. economic distress. The French nonetheless responded with "shock and surprise, sour grapes, and fear of the consequences for France and Europe," while de Gaulle personally "ran through the usual routine about the overriding power of the U.S. and the necessity of opposing the U.S. in order to help restore equilibrium in the world."

At home, private sector economic experts warned of worse to come. Edward Bernstein told a Wall Street gathering that "no international monetary system can be devised under which foreign central banks can be induced to acquire unlimited amounts of dollars." The well-known economist Barbara Ward Jackson, in a memo widely circulated by Rostow, warned of "dangerous overtones of the 1929–31 disaster" in the current situation and feared that "depression and massive unemployment could occur in Europe if
world trade did not stabilize." Ackley and Rostow both thought Jackson's scenario was too pessimistic, but, as Rostow put it, “The overall problem Barbara has raised is real and, in one way or another, we shall have to meet it in the weeks and months ahead.”

1968 and the Dilemmas of Capitalism and Communism

Indeed, U.S. leaders could no longer avoid meeting the “overall problem” of Vietnam and economic calamity, and in early 1968 they had to confront the most serious U.S. crisis, military or economic, of the postwar era. In Vietnam, the enemy launched the Tet Offensive, a countrywide series of attacks that undermined Westmoreland's claim of “light at the end of the tunnel.” Enemy forces, breaking a Tet holiday cease-fire, struck virtually every center of political or military significance in the RVN. Though suffering heavy losses—which U.S. officials would cite to claim victory during the offensive—the NLF and PAVN had in fact gained a major politico-strategic victory, exposing both the shaky nature of ARVN forces, who deserted in large numbers, and the bankruptcy of U.S. strategy, for U.S. forces could not even protect their own installations, even the embassy, in southern Vietnam. The shock of Tet, especially after respected newsmen Walter Cronkite appeared on national television in late February 1968 urging an end to the war, forced U.S. leaders to finally reevaluate their approach to Vietnam, with the president rejecting a huge military request for new reinforcements, calling a partial bombing halt, beginning to “Vietnamize” the war, and withdrawing from the 1968 presidential race. After nearly two decades of intense efforts and the commitment of huge numbers of soldiers and money to Vietnam, Tet had made it clear that U.S. forces would not “win” in Vietnam.

But, just as importantly, the world economic crisis peaked in early 1968 as well, and money and war were on a collision course. The military’s request for massive reinforcement—206,000 more troops and the activation of 280,000 reserves—McNamara warned, would require additional appropriations of $25 billion in fiscal year 1969–70 alone, without the likelihood, let alone the promise, of turning the corner in Vietnam. At the same time, the Europeans, fearing the economic effects of another escalation in Vietnam, began cashing in their dollars for gold. During the last week of February, the gold pool sold $119 million in hard currency; on 3 and 4 March, losses totaled $141 million; and by early March the new chair of the Council of Economic Advisers, Arthur Okun, describing “a bad case of the shakes” in world financial markets, reported that the BOP deficit for the first week of March had risen to $321 million while gold losses soared to $395 million,
including $179 million on 8 March alone. Should such withdrawals continue to mount, as Thomas McCormick has explained, the depletion of gold reserves could have caused a devaluation of the dollar, which could have ignited a series of currency devaluations not unlike the 1930s. Then, with the absence of stable exchange rates, businesses would suffer globally.

With the crisis intensifying, the administration scrambled for a response. An Advisory Committee established by Henry Fowler, headed by Douglas Dillon and including various leaders of the Washington and Wall Street establishments, insisted that Johnson press hard for a 10 percent surcharge on corporate and individual income taxes, a move Johnson had been hoping to avoid since late 1965; retain the $35 price of gold despite European calls for an increase; and, if the problems deepened, consider closing the gold pool. “My own feeling,” Rostow admitted, “is that the moment of truth is close upon us.” He was right. On 14 March the gold pool lost $372 million—bringing the March losses to date to $1.26 billion—and U.S. officials anticipated that the next day’s withdrawals could top $1 billion. The administration, as Rostow lamented, “can’t go on as is, hoping that something will turn up.”

The Europeans were also pressuring the United States to act, so Johnson, on the 15th, closed the London gold market for the day, a Friday—typically the heaviest trading day of the week—and called an emergency meeting of central bankers. That weekend, governors of the central banks of the United States, the United Kingdom, Germany, Italy, Belgium, the Netherlands, and Switzerland—but not France—met in Washington to deliberate world monetary conditions. The governors, not for the first time, called on the United States and the United Kingdom to improve their BOP positions, urged the president to retain the official price of gold, and called for a “two-tiered” system for gold in which private markets could float their rates. Perhaps the major reform emerging from the crisis was the establishment of Special Drawing Rights (SDR). Created by the International Monetary Fund, these international reserve units—“paper” gold—provided the world monetary system with internationally managed liquid assets to avoid future massive hard currency withdrawals.

While the governors had stemmed the crisis with such action, LBJ was feeling more political heat than ever. The CIA warned the White House to expect more criticism from France and continued attacks on the dollar. Rostow and Economic Adviser Ernest Goldstein told the president to anticipate additional costs for Vietnam in the $6 to $8 billion range for fiscal year 1969. And, in a biting analysis, Presidential Aide Harry McPherson berated Johnson for asking the U.S. people to keep supporting a war that was already excessively costly and had no end in sight. Lyndon Johnson, however, did not have
to be told how bad the situation had turned. At a 26 March meeting he lamented the “abominable” financial situation, with rising deficits and interest rates and growing danger to the pound and dollar. Worse, Westmoreland’s request for 206,000 troops would cost $15 billion, which “would hurt the dollar and gold.” The United States, he went on, is “demoralized.” The president thus anticipated “overwhelming disapproval in the polls and elections. I will go down the drain. I don’t want the whole alliance and military pulled in with it.”

The alliance and military survived much better than Johnson. In a 31 March speech to the nation, he announced limited reinforcements for Vietnam, curtailed bombing above the twentieth parallel, discussed the world monetary crisis, and stressed the need for a tax surcharge. At the end of his address he stunned the nation by withdrawing from the 1968 campaign. Although the war in Vietnam would continue for five more years, Johnson was admitting failure in early 1968. The United States could no longer use its military and economic power in the same, often unrestrained, fashion that it had in the generation after World War II. The BOP deficit continued to grow. Without a tax bill, the administration faced back-to-back budget deficits of over $20 billion. And, as Okun emphasized, unless the world financial community regained confidence in the dollar, the “consequences for prosperity at home are incalculable.”

The U.S. financial community likewise understood just how seriously the war was affecting the economy. Walter Wriston, the president of Citibank, told a group of European financial leaders in January that it would be possible to overcome the monetary crisis without changing the gold standard but that “the chances would be greater if the Vietnamese war ended.” Roy Reierson, senior vice president and chief economist at the Bankers Trust Company on Wall Street, complained in March that Vietnam had caused domestic inflation and had unduly burdened the BOP position. In an address amid the Tet and gold crises, a partner at Salomon Brothers, Sidney Homer, observed that “military setbacks in Southeast Asia will surely intensify attacks on the dollar.” Vietnam had not alone caused the economic crises of the 1960s, Homer went on, but it had “aggravated our problems and in a sense frozen them.” In a report to investors, Goldman, Sachs economists simply explained that reduced spending in Vietnam “could contribute significantly to the solution of many of the problems currently plaguing the U.S. economy.” And the venerable chair of the Federal Reserve System, William McChesney Martin, lamented in late 1968 that the surtax was “18 months late. . . . Guns and butter [are both] not attainable in wartime.”

The Bretton Woods system and military Keynesianism—which had driven
economic growth in the Cold War—had been dealt a serious blow by the Vietnam War, and the United States would henceforth have to negotiate its hegemony and economic influence with Western Europe and Japan.\textsuperscript{62}

The communist nations were not without their own crises in 1968, however, for the PRC, Soviet Union, and Vietnam all fell into conflict with each other just as the DRV-NLF war was attaining its greatest success. The Soviet Union was still trying to persuade Ho to negotiate with the United States and had denounced Hanoi for rejecting Lyndon Johnson’s late 1967 “San Antonio Formula,” which had promised a bombing pause if the Vietnamese would talk. The Soviet embassy even advised Moscow to inform the DRV that the USSR could not afford political brinkmanship with the United States by deepening its involvement in Vietnam and that an end to hostilities in 1968 would be in both Vietnamese and Soviet interests.\textsuperscript{63} But the PRC, wanting to maintain a high level of antagonism between the Soviet Union and the United States, feared that negotiations could end the war, which would raise the prospects of Chinese-Vietnamese tension again and would remove the U.S. counterbalance in Asia against the Soviets.\textsuperscript{64}

Afraid that peace might break out, Zhou, after Ho accepted LBJ’s partial bombing halt as a basis for “contacts,” railed against the DRV in a meeting with Pham Van Dong. To Zhou, the United States was at its weakest point, with Tet, the dollar crisis, and racial unrest provoked by the murder of Martin Luther King causing great distress in the United States. Yet the DRV’s acceptance of contacts was a Vietnamese compromise, and “it helps the US solve their difficulties. . . . The situation showed that Vietnamese comrades find it easy to compromise. . . . Your position is now weaker, not stronger.” To the Chinese, military means would decide victory, not negotiations, so “you have lost your initiative and fallen into a passive position,” Zhou charged. U.S. officials believe that “you are eager to negotiate,” Zhou added. He reminded the Vietnamese that the United States, ARVN, and other supporters had access to over one million troops and that “before their backbone has been broken, or before five or six of their fingers have been broken, they will not accept the defeat, and they will not leave.” The Chinese, in concluding, also warned against bringing the USSR into the peace process, telling them, “You should not inform the Soviets about developments in the negotiations with the US because they can inform the US.”\textsuperscript{65}

For their part, the Vietnamese did not appreciate PRC pressure and began to distance themselves from the Chinese, especially during the Czech crisis of mid-1968. The USSR, believing it had to take a leadership role in global affairs regarding socialist countries, sent troops into Czechoslovakia to stem a liberalization movement there. The Chinese had repeatedly accused the
Soviet Union of deviating from the Marxist, revolutionary line and of collusion with the West, so, as Ilya Gaiduk explained, “the Kremlin had to defend its policy not only by strong words, but also by deeds.” The DRV, amid an intense anti-Soviet campaign out of Beijing, supported the Czech invasion, angering the Chinese but bringing praise from Moscow. Hanoi’s support of the Soviets, open and explicit, was a signal to the USSR that the DRV was moving closer to it and remaining independent of the PRC. Thus the Soviet Union urged—and the Vietnamese agreed—that negotiations, then under way in Paris, should be taken seriously to try to end the war.66

**Vietnam and the World**

The events of 1968 served as an exclamation point to the previous global crises of the decade as the various global issues being contested seemed to converge. The U.S. war of attrition would not succeed as a result of the Tet Offensive; U.S. economic hegemony was under siege due to the dollar-gold crisis; the Vietnamese, under heavy pressure from the Chinese to continue the war, avoid negotiations, and maintain distance from the Soviet Union, instead moved closer to the Soviets and angered the PRC in the process; the USSR tried to maintain its socialist credibility by suppressing Czechoslovakia while conversely showing its sensibility by tempering the war in Vietnam. What had begun in the aftermath of World War II as a war of national liberation waged by the Viet Minh against the French Union had become a global affair, with the world’s major powers involved.

Because of the escalation of the conflict in Vietnam—by the United States, by Vietnam, by the Soviet Union, and by China too—the world was transformed. U.S. military and economic power, the events of the mid- to late 1960s showed, was limited. Washington no longer had fiat over the world as it seemed to have had in the 1940s and 1950s. Apparently unable or unwilling to distinguish between nationalism and communism, the United States, for reasons of credibility and capitalist expansion, tried to crush a liberation-cum-revolution in Vietnam with dire consequences. Not only was the United States’s world position undermined, but, much worse, tens of thousands of U.S. citizens died fighting in Indochina, while, worse still, a small nation in Indochina was destroyed beyond feasible reconstruction. The Vietnamese, for their part, finally reached their goal. After 1968 it was clear that the United States did not possess the means or the will to “win” in Vietnam, and though troops remained until 1973 and the United States supported the RVN until 1975, Tet had effectively become the U.S. obituary in Vietnam. As for the communist world, the Vietnam War exposed divisions
between the PRC and the USSR that were evident prior to the 1960s but not as obvious. By 1968, talk of "monolithic communism" was simply absurd; the major powers were more concerned with the political war they were fighting among themselves than with the shooting war between Vietnam and the United States. And after the war, conditions in Asia returned to what seemed to be their normal state. The Vietnamese and Chinese became blood rivals once more, and in 1979, with U.S. provocation, the PRC even invaded the DRV, called the Socialist Republic of Vietnam (SRV) after its 1975 victory and the unification of the country. Inside Vietnam, one wonders if the capitalists did not win the war after all. Foreign investment in the SRV is significant, with few obstacles to outside entrepreneurs who want to exploit the people of Vietnam. While Nike—which pays its workers about $30 per month to perform what is essentially sweatshop labor—may be the most public example, such foreign business interests are commonplace. Vietnam, rather than being rebuilt "ten times more beautiful," as Ho envisioned in his final testament, remains living proof of the dangers involved in taking on the powers of the world when their interests diverge from yours.

Notes


10. In Rotter, Path to Vietnam, 114.

11. On the John Kennedy and Lyndon Johnson commitments to defeat the Left in Vietnam, see my Masters of War.


16. Ibid.


19. Ibid., 243, 235.


27. Mao Zedong, Zhou Enlai, Pham Van Dong, Beijing, 10 April 1967, CWIHP Web site, document #25.

28. Continuing the analogy, Mao said, “In fighting the US troops, you can have a bite the size of a platoon, a company, or a battalion. With regard to the troops of the puppet regime, you can have a regiment-size bite. It means that fighting is similar to having meals, you should have one bite after another.” Mao Zedong, Pham Van Dong, and Vo Nguyen Giap, Beijing, 11 April 1967, CWIHP Web site, document #26.


30. Ibid., 250–51.

31. Ibid., 251–52.


38. Fowler to the president, late 1967, White House Central Files, Confidential Files, FO4–1, Balance of Payments (1967), Johnson Library (hereafter WHCF, Confidential Files, with appropriate filing designations).
40. Bundy to the president, 28 July 1965, subj: Your Meeting with Joe Fowler, National Security File, Memos to the President, McGeorge Bundy, volume 12, Johnson Library (hereafter NSF, Memos, Bundy).
41. Fowler to the president, 26 November 1965, and Bator to the president, 29 November 1965, both in WHCF, FO4.
42. On the cost of the war, see Thomas Campagna, *The Economic Consequences of the Vietnam War* (Westport, CT, 1991); the run on gold in 1967 was similar to that of previous years: Between 1957 and 1962, U.S. gold stocks decreased from $23 to $16 billion, and in 1965 alone, foreign central banks had redeemed dollars for over $1.5 billion in gold. Gabriel Kolko, *Anatomy of a War: Vietnam, the United States, and the Modern Historical Experience* (New York: 1985), 283–90.

51. McCormick, America’s Half-Century, 162.


62. “The economic consequences of the escalating Vietnam War so exacerbated the dollar drain, the trade imbalance, and the maladies of the civilian sector,” according to Thomas McCormick, “that significant tariff cuts [as in the Kennedy Round] ironically did less to help American exports than did to open the American market to ever-more-competitive capitalists from Germany and Japan.” America’s Half-Century, 128.


65. Zhou Enlai and Pham Van Dong, Beijing, 13 April 1968, CWIHP Web site, document #31; Zhou Enlai and Pham Van Dong, 19 April 1968, CWIHP Web site, document #33; conversation between Zhou Enlai, Chen Yi, and Xuan Thuy, Beijing (The Great Hall of the People), 9:45 P.M., 7 May 1968, CWIHP Web site, document #35;
“That you accepted holding talks with the US put you in a passive position. You have been trapped by the Soviets,” Zhou charged. “Now, Johnson has the initiative.” Conversation between Zhou Enlai and Pham Hung, Beijing, 29 June 1968, CWIHP Website, document #37.