

THE UNITED STATES
AND THE CHINESE CIVIL WAR

By

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PREFACE

The United States has always desired a strong, unified China, whose government would welcome close commercial and investment ties with the United States. During World War II China was groomed to offset and balance Russian and Japanese influence in Asia. However, domestic instability and rivalry for political power weakened China and prevented her from asserting the strategic and economic role that American policy had outlined for her. The Marshall mission was dispatched to China to head off the threat of civil war and effect a unification of Chinese political forces into one national government that would serve the goals of American policy.

The purpose of this study was to analyze traditional American policy toward China, which motivated General Marshall's mediation, and to determine the factors that caused the failure of the Marshall mission. This entailed a survey of historic United States relations with China, an analysis of Chinese society, which showed signs of degeneration under the impact of Western penetration, and a detailed analysis of the Marshall mediation.

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CHAPTER I

TRADITIONAL AMERICAN POLICY TOWARD CHINA

China was a strange, distant and unfamiliar land to Americans in 1800. Traders and missionaries gradually brought back fabulous stories to excite interest in the remote Orient. The Empress of China landed in Canton in 1785, and thence forward American interest in the Orient grew. Profits from this first voyage lured others to take up the adventure, especially the seasoned New Englanders.

All trade with China was channelled through Canton in the early 19th century, and it was conducted strictly at the discretion of the Chinese bureaucracy, without legal safeguards for the Occidental merchants. The restrictions placed on the Westerners were onerous, but they were endured because profits in the China trade were high. American traders operated without the protection of company warships and soldiers, whereas the Europeans conducted their trade through monopoly corporations that conducted their commercial diplomacy with the assistance of naval squadrons and troops.¹ The Americans used individual bargaining instinct to receive fair and equitable treatment. This relationship engendered compatibility and friendship between Chinese and Americans which became the capstone of American relations

¹European trade was conducted as a monopoly through such corporations as the East India Company, which exercised State powers. The American trader set out with raw materials—fish, lumber, tobacco, cotton, and such processed things as rum and whiskey, and exchanged them for spices and goods en route to Canton.

American trade did not reach the optimistic proportions that many had anticipated, since China's agricultural society did not allow the average Chinese consumer a sufficient economic surplus to purchase American goods. A comparison of United States trade with China shows that for the years 1926-30 imports from China made up about three and one-half per cent of total imports, while exports to China for the same period constituted two and three-tenths per cent of total exports. Comparing these figures with those of 1937, imports from China maintained the same proportion to total imports, while exports to China dropped to one and five-tenths per cent of total United States exports.⁵

United States investments and loans in China have also been rather small. Professor C. F. Remer indicates that American investments in 1835 amounted to three million dollars, being primarily business investments. In 1900 business investments totaled approximately seventeen and one-half million dollars, while Chinese government securities and contractual obligations held by Americans totaled two and two-tenths million dollars.⁶

In 1914 the United States ranked sixth among the creditor nations having investments in China, with Americans holding about seven and three-tenths million dollars in government obligations and approximately forty-two million dollars in business investments. By 1931 the United States ranked fourth, with one hundred and fifty-five million dollars of business investments and forty-two million dollars of government obligations. Compared to the investments of other countries, however,

⁵Ethel B. Dietrich, Far Eastern Trade of the United States (New York, 1940), p. 10.

⁶Remer, op. cit., p. 260.

American investments were insignificant, for British investments totaled about one billion one hundred and eighty-nine million dollars, while Japanese investments equaled one billion one hundred and thirty-six million dollars in 1931.⁷

There are a number of reasons why American investors were not interested in China. The instability of Chinese governments was a deterring factor; until 1914 the United States was still a debtor nation, and Americans were not in a position to compete effectively with European investors; the United States government was not consistently willing to extend diplomatic support to American investors abroad, while the Chinese government was not in a position to offer special safeguards to the American investor.

During the early 1930's while China was undergoing internal rebellions, and conducting hostilities against Japan, loans from the United States government kept China from collapsing economically. In 1931 the Farm Credit Administration gave China a loan to purchase fifteen million bushels of wheat, while the Reconstruction Finance Corporation in 1933 extended, for three years, credits of fifty million dollars to purchase cotton, wheat, and flour. In 1938 the Export-Import Bank extended China twenty-five million dollars of credit to finance the exportation of American agricultural goods and manufactured products to China.⁸

The United States government was instrumental in stabilizing Chinese currency, also, for when China created a new currency in the

⁷Dietrich, op. cit., p. 43.

⁸United States Department of State, United States Relations with China, Far Eastern Series 30 (Washington, 1949), p. 32. Hereafter referred to as China White Paper.

1930's and needed gold reserves to establish confidence in the legal tender, demonetized silver was traded to the United States Treasury for gold. Dollar credits were supplied to China upon the security of this gold.⁹

Cultural Interest in the Far East.

The lure of adventure was not wholly confined to the trader, for soon the missionary became an American institution within the Chinese Empire. Dr. Peter Parker, who sought to propagate Christianity among the Chinese people, established an optical clinic in Canton in 1834. Thence forward the number of American missionaries increased and soon rivaled the British in numbers and resources.¹⁰

By 1900 there were about a thousand American missionaries in China representing some thirty societies. This was quite an increase over the 1875 figure of two hundred and fifteen missionaries representing fifteen societies.¹¹ By 1925 there were eight thousand Protestant missionaries in China, of which four thousand five hundred were American, while there were an additional one hundred and fifty-nine American Catholic missionaries.¹²

The value of United States missionary investments rose to impressive proportions, mission property in 1875 being valued at one million dollars, which included churches, hospitals, schools and mission

⁹Ibid., p. 31.

¹⁰John King Fairbank, The United States and China (Cambridge, 1949), p. 316.

¹¹Remer, op. cit., p. 259.

¹²Conference on American Relations with China, American Relations with China (Baltimore, 1925), p. 112.

residences. By 1930 total missionary investments had reached forty-three million dollars.¹³

Spreading the Gospel was the primary function of the missionary, and it was soon learned that this could be more easily accomplished by providing material assistance to the people. If they were to understand the Bible they must be taught to read, and by giving them medical care and treatment, it was possible to win their confidence and friendship, a prerequisite in converting them to Christianity. Dr. Latourette has written that "Physicians early found, not only that they could relieve much suffering, but that they could often break down the prejudice against the Christian faith, and that in their hospitals and dispensaries they could combine the healing of bodies with the cure of souls."¹⁴

By 1874, there were ten medical missionaries in China; by 1905 there were three hundred and one missionary physicians. A number of these must have been American, since in 1900 United States missionaries were reported to have established sixty hospitals, which represented about one-half the total number in China. In 1930 the properties of American medical missionaries were valued at approximately three million dollars.¹⁵

In the field of education the American missionary also made a significant contribution. Schools became an increasing part of the

¹³Remer, op. cit., p. 308.

¹⁴Kenneth Scott Latourette, A History of Christian Missions in China (New York, 1929), p. 452.

¹⁵Ibid.
Remer, op. cit., pp. 259, 306.

missionary program after 1865, and the educational program eventually included kindergarten, elementary and secondary schools, colleges and trade schools. By 1932 there were thirteen Christian colleges, and one hundred and ninety-six middle schools in China, which were supported in part by American contributions.¹⁶ In 1929-30 American mission educational property was valued at over seven million dollars.¹⁷

In the early period of United States diplomatic relations with China (1844-1900), American missionaries served a very useful purpose as interpreters and translators, and occupied high positions in the consulates and in the legation.¹⁸ In this official capacity their influence on American policy was important, and the data that were published by missionaries also molded American policy, because it was for years the most reliable information available on China. Tyler Dennett has written that "during the greater part of the 19th century, Americans looked upon Asia through the eyes of Missionaries."¹⁹

When missionaries first went to China they entered that country without permission, and were able to remain only "by the tolerance and indulgence of native officials." The Treaty of Wanghia was primarily a trade convention, but it provided Americans with the legal right to erect churches within the treaty ports. Missionaries, however, did not have any right to proselytize among the Chinese. The French eventually extracted legal rights for their missionaries, and an

¹⁶William Ernest Hocking, Re-Thinking Missions (New York, 1932), p. 157 ff.

¹⁷Remer, op. cit., p. 306.

¹⁸Dennett, op. cit., p. 556.

¹⁹Ibid., p. 558.

imperial rescript granted a degree of religious toleration, although it did not give the missionaries the right to operate beyond the treaty ports.²⁰ The British tried to restrain their missionaries from penetrating beyond the Treaty ports of China, but France and the United States made no effort to hinder similar activity.²¹

The Treaty of Tientsin, which was negotiated for the United States by Dr. S. Wells William and Reverend A. A. P. Martin, the latter acting in the capacity of interpreter, provided in Article 29 that no one, whether he be a citizen of the United States or a Chinese, who professes Christianity, and who "peacefully teaches" the same will be "interfered with or molested."²² Later, missionaries were permitted to enter the inland areas, to rent or purchase land, and to construct buildings in order to proselytize the Christian faith.

Strategic Interest.

As a potential market for manufactured goods and investment capital, China acquired new importance for America in the 1890's. Commodore Perry's ideas and recommendations that American bases and coaling stations be established in the Far East appeared realistic and farsighted to such advocates of overseas expansionism as Mahan, Lodge, and Roosevelt. Commodore Perry had recommended in 1855 that the United States take possession of either Formosa, the Ryukyu Islands or the

²⁰The Pere Chapdelaine affair of 1855 was major cause for the second Opium War. Because of the most-favored-nation clause in the Wanghia Treaty of 1844, the United States automatically acquired legal rights accorded other powers.

²¹Dennett, op. cit., pp. 559-561.

²²Ibid., p. 562.

Bonin Islands, as a permanent base in the Pacific to promote American trade with China and Japan. The United States government did not act upon Perry's ideas and suggestions, however, largely because the volume of United States trade with Asia at the time was negligible, and the attention of the expansionists was focused upon the Caribbean islands of Spain and the territories of Mexico.

By the end of the 19th Century, however, the United States was keenly interested in the acquisition of Pacific islands. Samoa, Hawaii, Guam, and the Philippine Islands were annexed to provide military and naval bases and commercial stepping stones to the Orient. These islands were in a position to furnish coaling stations, serve as entrepots, and provide bases for naval and military protection of Americans in the Orient. They also placed the United States in a position to compete with or forstall any move by the powers to divide China. Had the United States failed to occupy the Philippines in 1898 Germany might have acquired them by purchase from Spain. Whether this might have encouraged the powers to divide the Chinese melon, and whether United States acquisition of the Philippines made possible the imposition of the Open Door policy upon the Powers vis-a-vis China is of course conjectural.

These Pacific islands provided the United States with bases, but they also became liabilities in so far as their own defense was concerned.

Diplomatic Defense of China.

China, in the 1890's, was excellent prey for the imperialistic ambitions of the Great Powers.²³ There was a general scramble for concessions and a clamor for strategic bases. Long-term leases of territory, exclusive spheres of interest, and railway concessions were extracted from China. This was actually interpreted by the Powers to mean they would have first choice in the event China were partitioned as Africa had been. The Powers insured their favored positions by making agreements among themselves guaranteeing that each would respect the sphere of the other.²⁴

The United States viewed this situation with suspicion and concern, for these spheres of influence threatened the unwritten principle followed by the United States, providing for equal trade opportunities and the integrity of China. Since the United States was not prepared to engage in the scramble for a sphere of influence, Secretary John Hay was anxious to find a solution to prevent the partition of China. American trade, limited as it was, was threatened, and the potential market that Americans hoped to develop in China was at stake.

The British, who were playing both ends against the middle, had actively participated in securing bases and several spheres of interest,

²³The Manchus who ruled China numbered only three million, and were able to hold the Chinese in subjection only through the support of the Western Powers, who were given a share in the exploitation of China through trade and investments. The demands of the powers had to be met by the Manchus, whose only ability to parry came from great power rivalries. China remained intact only because of power rivalries. The overthrow of the Monarchy and the rise of nationalism, 1911-1930's, gave China means for its own defense in national unity, patriotism and military organization of society.

²⁴Mingchien Joshua Bau, The Open Door Doctrine in Relation to China (New York, 1923), pp. 8-14.

but they disliked the prospect of losing their established commercial hegemony over the whole of China. They preferred to block an actual partition of China, and sought a powerful ally in the United States to support them in checking the colonial ambitions of the other Powers. The enunciation of the open door principle could not be undertaken by Britain because of her participation in the seizure of Chinese territories. Therefore, the United States was approached by Britain diplomatically to pronounce the doctrine of commercial equality and the defense of the most-favored-nation treaty system vis-a-vis China.²⁵

Secretary of State John Hay was compelled to act in the interest of American trade to preserve China as a potential market for goods and investments. In the fall of 1899 he sent almost identical notes to the principal Powers²⁶ having interests in China, in which he proposed that each Power within its respective sphere of interest or influence:²⁷

First, will in no wise interfere with any treaty pact or any vested interest within any so-called 'sphere of interest' or leased territory it may have in China.

Second, that the Chinese treaty tariff of the time being shall apply to all merchandise landed or shipped to all such ports as are within said 'sphere of interest' (unless they be 'free ports'), no matter to what nationality it may belong, and that duties so leviable shall be collected by the Chinese Government.

Third, that it will levy no higher harbor dues on vessels on another nationality frequenting any port in such 'sphere' than shall be levied on vessels of its own nationality, and no higher railroad charges over lines built, constructed or operated within its 'sphere' on merchandise belonging to citizens or subjects of other nationalities

²⁵Bau, op. cit., p. 19.

²⁶London, Berlin, St. Petersburg, Tokyo, Rome, and Paris.

²⁷Letter, Secretary Hay to Mr. Choate, September 6, 1899. United States Department of State, Papers Relating to the Foreign Relations of the United States, Document No. 1 (Washington, 1901), pp. 131-133.

transported through such 'sphere' than shall be levied on similar merchandise belonging to its own nationalities transported over equal distances.

The Powers replied "favorably" to the circular notes, but with conditions and exceptions, whereupon Secretary of State Hay, on the basis of their replies, notified the Powers in almost identical language, that since his proposals had been accepted by the other Powers, that the United States Government could consider the "assent given to it as final and definite."²⁸

This had the effect of formalizing the open-door principle among the Powers, as far as trade was concerned. However, equal opportunity for investment capital was not pressed at this time by the United States, probably because American investors were not particularly interested in China.²⁹

The Western impact created a state of economic decay in China, that kindled anti-foreign sentiment, while the threatened territorial division of China aroused the nationalism of the Chinese, which the Empress Dowager conveniently diverted into anti-Westernism in an attempt to divert Chinese hostility away from the Manchu dynasty. The misfortunes of China according to Tsu Shi were due entirely to foreign oppression. As a result the Boxers, a secret patriotic society of North China, that had plotted to overthrow the Monarchy, turned their energies toward driving out the "foreign devils" and wiping out all native converts to Christianity. In connivance with the Manchu authorities, they made a murderous assault on the foreign legations, consulates, and missions.³⁰

²⁸Ibid., p. 142.

²⁹Remer, op. cit., p. 287.

³⁰The Manchu government declared war on nine western powers--Great Britain, France, Russia, United States, Germany, Japan, Sweden, Austria, and Italy.

These circumstances afforded the foreign Powers a legitimate excuse to intervene with military force to protect their legations and citizens, to occupy the capital and to overrun Manchuria, and to levy a heavy reparation upon China. The threat of a territorial partition of China became imminent again, particularly as the result of the Russian refusal to evacuate Manchuria. Secretary Hay again asserted the interest of the United States in maintaining Chinese independence and territorial integrity as a means to preserve the legal equality of trade opportunities. He insisted upon the withdrawal of all foreign troops from China upon the latter's acceptance of the peace terms and approval of the proposed method of borrowing and repaying the money to meet the reparation demands. United States' policy was stressed in a circular issued July 3, 1900, by Secretary Hay, which asserted that:³¹

...the policy of the Government of the United States is to seek a solution which may bring about permanent safety and peace to China, preserve Chinese territories and administrative entity, protect all rights guaranteed to friendly powers by treaty and international law, and safeguard for the world the principle of equal and impartial trade with all parts of the Chinese Empire.

Acceptance by the Powers of these principles helped to establish, for the time being, a balance in the Far East, however precariously.

Japan, nevertheless, refused to dampen her ambitions for territorial expansion into Korea, Manchuria, and other parts of the decadent Chinese Empire. As the result of her victory over China in 1895, she had detached Formosa, the Pescadores, and had won a foothold in Manchuria, which she was forced to abandon by the intervention of Russia.³² Russia undertook to develop Manchuria and Korea into

³¹United States Department of State, Papers Relating to the Foreign Relations of the United States (Washington, 1902), p. 299.

³²Japan was forced by Russia, Germany, and France to retrocede Liaotung to China in 1896.

exclusive spheres of influence, which caused England to seek from Japan military and diplomatic support in containing Russia. The ambitious Japanese seized this opportunity to neutralize Russia's old partners of 1896, and prepared for a lightning war, in which they drove the Russians from Korea and Manchuria.³³

This victory over Russia in 1905 strengthened Japan's position and gave her an almost free hand to expand into Korea and Manchuria, with the understanding that Japan would respect the principle of the equality of commercial opportunity as well as Chinese sovereignty over Manchuria. The United States gave its approval to Japan's aggressive action in driving the Russians from Korea and South Manchuria by mediating the conflict to Japan's advantage, and by recognizing her special status in Korea and Manchuria.

By recognizing Japan's special interest in Korea and Manchuria, in apparent contradiction of the principle of the Open Door, the United States and Great Britain sought to create a stable balance of power in East Asia by making Japan a counterweight to Russia. This necessitated giving Japan an important, though not exclusive, sphere of interest to develop economically.

The Portsmouth Treaty strengthened Japan's position in the Far East and made her a world power. The Open Door principle was re-affirmed as the right of all treaty powers to trade with China on equal terms, and, despite the absorption of Korea and the seizure by Japan of Liaotung

³³The Alliance guaranteed that if one of the signatories became involved in war the other would be neutral but if a third power intervened the belligerent ally might invoke the alliance immediately.

and the South Manchurian railways, China's territorial integrity and political independence were protected.³⁴

President Taft and Secretary Knox sought to extend the Open Door principle from equality of trade to equality of investment opportunity in China, and Manchuria in particular. Their scheme to establish an international consortium to lend capital to China was known as the "Knox Neutralization" plan, and its purpose was to restore to China the railway concessions built and operated by foreign companies. This, it was hoped, would strengthen the Open Door policy in commerce and extend it to capital investments. Prior consent was not received from Japan and Russia, since these two powers had reached a secret rapprochement, so that the Taft-Knox Scheme was dropped.³⁵

The outbreak of World War I gave Japan an excellent opportunity to expand and consolidate her position in the Far East at the expense of China's independence, and in utter disregard of the Open Door policy. Japan declared war on Germany in August, 1914, and invaded her leasehold of Kiaochou Bay, brazenly violating China's territorial integrity in the process.

The Entente Powers were tied down in Europe and could not check their erstwhile Oriental ally from seeking to reduce China to the status of a protectorate, since they were forced to concentrate all their strength to withstanding the German assaults. Japan delivered China an ultimatum in May, 1915, that contained twenty-one far-reaching demands. Japan insisted on economic and political supremacy over China;

³⁴Samuel Flagg Bemis, A Diplomatic History of the United States (New York, 1950), p. 494.

³⁵Bemis, op. cit., pp. 496-497.

consolidation of Japan's position in Manchuria and Jehol province of inner Mongolia; she demanded exclusive mining and industrial privileges in the Yangtze Valley; she enjoined China not to lease or cede to another power any bays, harbors, or islands along the Chinese coast; and she asked for broad administrative powers within China, that would give the Japanese "supervisory control over Chinese social and political institutions from schools and churches to the Chinese Government itself."³⁶

China stalled in the hope that, by allowing these secret demands to "leak out," the United States might exert diplomatic pressures against Japan. Japan was discreet in agreeing to drop those demands that would have transferred China into a protectorate, for the United States interposed diplomatically to protect the equal rights of American citizens to trade in China. Japan agreed to settle for Chinese acceptance of servitudes that expanded Japanese economic rights in China, and after much discussion between Secretary of State Lansing and Viscount Ishii over the demarcation of Japanese rights and interest in China, American recognition of Japan's claims was partially conceded. The Lansing-Ishii Agreement of 1917 provided that:³⁷

The Government of the United States and Japan recognize that territorial propinquity creates special relations between countries, and consequently, the Government of the United States recognizes that Japan has special interests in China, and particularly in the part to which her possessions are contiguous.

This agreement did not give the Japanese what they desired, since they were asking the United States to recognize Japan's "paramount

³⁶A. Whitney Griswold, The Far Eastern Policy of the United States (New York, 1938), p. 187.

³⁷United States Department of State, Papers Relating to the Foreign Relations of the United States (Washington, 1922), Volume II, p. 591.

interest" in China. The agreement, as it stood, however, was a retreat from the Open-Door principle by the United States. Professor Griswold has stated that "American diplomacy was preparing, not retreating from, the greatest of all its offensives against Japanese expansion." He further takes the position that it was merely a temporary concession to Japan while Germany was being dealt with in Europe.³⁸

China declared war on Germany hoping to bring her problems with Japan before the Powers at the Versailles Conference, but, because there were secret agreements between the Entente and Japan relative to the transfer of Germany's Pacific islands and leasehold, little was accomplished on China's behalf. England had agreed with Japan that the former German territories south of the equator would go to the British Commonwealth and that those to the north would go to Japan.

The United States was economy-minded in 1921-22 and sought an agreement to limit naval might among the powers to a fixed ratio. In addition, the United States was anxious to stabilize conditions in the Orient on the basis of the status quo ante bellum, which called for a Japanese retreat from Kiaochow Bay and Shantung, and disavowal of the Twenty-one Demands, some of which had been forced upon China.³⁹ The principal allied and associated powers, with the exception of Russia, were invited, as were the Netherlands, Portugal, Belgium, and China. Japan accepted the agenda with reluctance, in view of its "vague scope," fearing the loss of her favored position in the Far East.⁴⁰

³⁸Griswold, op. cit., p. 217.

³⁹The United States and Canada insisted upon termination of the Anglo-Japanese Alliance since Russia was no longer a threat to China's existence.

⁴⁰Bemis, op. cit., p. 692.

The Conference produced three treaties--the Five Power Treaty (United States, Great Britain, Japan, France, and Italy); the Four Power Treaty (United States, Great Britain, France, and Japan); and the Nine Power Treaty, that included all the States represented.

The Five Power Treaty established a ratio of 5:5:3:1.75:1.75 respectively among the naval Powers in capital ships. The purpose of this ratio was to make it impossible for any one of the Powers to fight an offensive war, and in allocating to Japan a ratio of three-to-five vis-a-vis the United States, it guaranteed Japan naval supremacy in Far Eastern waters. Without this concession Japan would not have agreed to evacuate Shantung or to drop her Twenty-one Demands upon China. The Four-Power Pact was intended to replace the Anglo-Japanese Alliance through a reciprocal guarantee among the major powers of the Pacific to refrain from any offensive action against one another. This, together with the Five-Power Pact, gave Japan relative freedom from any possible American threat against her insular position.⁴¹

Japan's position was strengthened by these agreements, and in return, the powers received a pledge from Japan that she would respect the principle of commercial equality in China as well as the latter's territorial and administrative integrity. The Powers, including Japan, agreed to abstain from imposing servitudes upon China, and accepted China's request that extraterritoriality be terminated after political unity, administrative stability, and reform of the legal codes had been attained.⁴²

⁴¹Ibid., p. 695.

⁴²This took the form of the Nine Power Treaty. Professor Bemis observes that the Washington Conference "amounted to a face-saving retreat of the United States from active diplomacy in the Far East for the observance of the traditional American policies for the Open Door and the administrative, political, and territorial integrity of China." Ibid., p. 696.

Japan was left the paramount military and naval power in the Far East, on the strength of her pledge to respect the Open Door principle and the administrative and territorial integrity of China. So long as she was administered by the parliamentary liberals, Japan attempted in good faith to abide by the terms of the Washington Treaties until April, 1927, when the Nanking incident⁴³ discredited Japan's civilian leadership and Baron Shidehara's policy of peace and friendship. The chauvinistic military leadership, headed by Baron General Tanaka, replaced Shidehara and re-inaugurated the "positive policy" of interventionist diplomacy against China.

Early in the Spring of 1928 Chiang Kai-shek resumed his efforts to unify China by advancing upon Peking against the northern warlord, Chang Tso-lin. Japan was rather concerned about the unsettled conditions in China, fearing an encroachment upon her special position in Manchuria, which had been recognized at the Washington Conference. Japanese troops, which were stationed along the Tsingtao-Tsinan railway in Shantung to protect Japanese interests and to block the northward advance of the Nationalist armies of Chiang Kai-shek, clashed with Nationalist troops in the Tsinan area. This affair was localized, but it intensified the existing ill will between the Kuomintang and the Japanese and delayed the advance by the Nationalist troops toward Peking.⁴⁴

⁴³The military clique feared that the Nationalists would either defeat Chang Tso-lin or bring him over, thus uniting China under the Kuomintang and threatening Japan's ambitions to take over Manchuria completely. Tanaka precipitated the cabinet crisis against Shidehara and moved Japanese troops into Shantung, occupying Tsinan, the railway hub, and blocking passage of Nationalist armies en route northwards (April, 1928). Tatsuji Takeuchi, War and Diplomacy in the Japanese Empire (New York, 1935), pp. 247 ff.

⁴⁴Harold M. Vinacke, A History of the Far East in Modern Times (New York, 1950), p. 448.

The Nationalist Government was warned by Japan that fighting in Manchuria would not be permitted to interfere in any way with the services of the Japanese operated South Manchurian railways and with the supplying of Japanese troops in the leasehold of Kwantung. The Nationalists, however, were careless in heeding the Japanese warning and in respecting the rights of the Soviet Union in Northern Manchuria in 1929. War was threatened, but United States Secretary of State Stimson invited China and the USSR to abide by the Pact of Paris, which both had signed.⁴⁵

Japan was definitely concerned, now, lest China's action against Russia be repeated against the Japanese interests in South Manchuria. China was determined to interpret her obligations toward Japan as narrowly as possible in an effort to limit Japanese expansion beyond the leasehold and the railway zones. The Chinese hindered Japanese activity whenever possible, by constructing parallel rail lines to compete with the Japanese South Manchurian railway, and by making it difficult for the Japanese to lease land in Manchuria.⁴⁶

In pursuing their "positive policy," the Japanese took measures to further consolidate their Manchurian position before China or Russia became strong enough to challenge them. The Mukden Incident was manufactured as a result so as to give the Japanese an excuse to occupy all of Southern Manchuria. Secretary of State Stimson was of the opinion that "...the Japanese army was found to have acted with such

⁴⁵Bemis, op. cit., p. 808. The United States did not deal directly with Russia, but asked France to intercede.

⁴⁶Bemis, op. cit., pp. 808-809.

promptness and celerity as to make it evident that they were moving under a previously arranged strategic plan."⁴⁷

The "independent state" of Manchukuo was established in February, 1932, under Japanese tutelage. Japan negotiated a treaty with Manchukuo in September, 1932, guaranteeing her interests in that former Chinese province of Manchuria. The boundaries of this "new state" were extended westward and southward into North China and Jehol. The United States and the European Powers were unwilling to enforce sanctions against Japan in fulfillment of their legal obligations. The Japanese violated the Covenant of the League of Nations, the Pact of Paris, and the Nine Power Treaty without encountering more than a moral rebuke. The United States protested against the Japanese aggression and conquest of Manchuria on the basis of the Nine Power Treaty and the Pact of Paris, and agreed to co-operate with the League of Nations in its investigation of this situation. Secretary of State Stimson announced on January 7, 1932, that the United States would not recognize territorial changes effected by force through identical notes to Japan and China.⁴⁸

⁴⁷Henry L. Stimson, The Far Eastern Crisis (New York, 1936), p. 32.

⁴⁸The identical notes said "that it (the United States Government) cannot admit the legality of any situation de facto, nor does it intend to recognize any treaty or agreement entered into between those Governments or agents thereof, which may impair the treaty rights of the United States or its citizens in China, including those which relate to the sovereignty, the independence, or the territorial and administrative integrity of the Republic of China, or to the international policy relative to China, commonly known as the 'Open Door Policy,' and that it does not intend to recognize any situation, treaty or agreement which may be brought about by means contrary to the covenants and obligations of the Pact of Paris of August 27, 1928, to which treaty both China and Japan, as well as the United States, are parties." United States Department of State, Foreign Relations of the United States 1932, III (Washington, 1948), p. 8.

The Lytton Commission of Inquiry, appointed by the League to investigate the Manchurian Crisis and recommend action to the League Council, published its report in October, 1932, in which it indicated that the Japanese had not acted in self defense, but as instigators of violence. Recommendations were made to the Powers that an autonomous Manchurian government, nominally subject to Chinese sovereignty, be created, and that Japan's rights in the territory be strictly defined and incorporated into a binding international agreement.⁴⁹ (Only published agreements were recognized as valid by the Covenant.) The League of Nations did nothing to enforce the Lytton proposals, other than to request all League members not to recognize the new status quo created by the Japanese.

The Japanese demonstrated their contempt of the League by withdrawing their membership and proclaiming their own Asiatic Monroe Doctrine of "Asia for the Asiatics." The Japanese delegate Matsuoka notified the Powers before the Assembly of the League of Nations on February 21, 1933, that henceforth "Japan is responsible for the maintenance of peace and order in the Far East."⁵⁰

American policy clung to non-recognition while the Powers of the League were not willing to vote sanctions, thus giving Japan a free hand to expand further into China. After successive territorial encroachments southward into north China and Chinese withdrawals, Japan attacked China in force in July, 1937, with the apparent aim of

⁴⁹Findings and Recommendations of the League Assembly on the Lytton Report, February 24, 1933. See Appendix IV The Far Eastern Crisis, Henry L. Stimson, p. 273.

⁵⁰Bemis, op. cit., pp. 819-820.

destroying her independence and fitting her into the "co-prosperity sphere" of East Asia.

Although the United States and the European powers were unwilling to enforce the Washington pacts, American policy still clung verbally to the "principles" of the Open Door and of Chinese independence and integrity. The most that United States policy could accomplish on behalf of China's struggle for survival was to permit a trickle of economic assistance and military supplies that kept Chinese resistance alive during the difficult years of Occidental appeasement. Congress authorized the President by joint resolution on April 30, 1937, to declare a state of neutrality and to invoke the embargo provisions of the 1935 Neutrality Act should a state of belligerency break out anywhere. Since Japan benefited to a far greater extent than China by abstaining from invoking the traditional rights of belligerency in her hostilities, the United States was able to nurture Chinese resistance.⁵¹

To give moral and material support to China, the United States served Japan notice on July 26, 1939, that the Treaty of Commerce and Navigation negotiated in February, 1911, would be terminated after January, 1940. Following this, the United States imposed a moral restriction on the shipment of oil, scrap iron, machinery, machine tools, and other war materials to Japan. A moral embargo on the shipment of airplanes, parts, and accessories, and bombs to Japan had been in effect since 1938.⁵²

A further attempt to impede Japan economically was made in July,

⁵¹Once the United States proclaimed her neutrality, the embargo on war materials was mandatory.

⁵²China White Paper, pp. 24-25.

1941, when President Roosevelt issued an executive order which froze all Japanese assets in the United States, and effectively terminated all trade between the United States and Japan.⁵³

In August, 1941, Prime Minister Churchill and President Roosevelt, at the Atlantic Conference, drew up identical notes in which Japan was admonished not to make "any further encroachments" in the Southwestern Pacific, on penalty of instantaneous Anglo-American counteraction, including war if necessary.

This was, in effect, an ultimatum which Secretary of State Hull, who had been exploring the possibility of a peaceful solution with the Japanese, succeeded in "toning down" considerably before its formal delivery was made.⁵⁴ The negotiation of a permanent settlement of Far Eastern questions dragged on from July to December, 1945, with Japan insistent upon retaining hegemony over China and Indo-China, and the United States just as insistent that a restoration of Chinese sovereignty through a Japanese withdrawal from the continent be a sine qua non of any permanent peace in the Orient. The impasse could be resolved only by resort to force, and Japan chose to deliver the first blow at Pearl Harbor, which set in motion after more than a decade of tergiversation, the machinery of international justice--i.e., the long delayed sanctions to punish the violation of solemn international agreements were finally unleashed by the United Nations Alliance against Japan.

The United States assisted China internally with loans to stabilize

⁵³Bemis, op. cit., pp. 808-809.

⁵⁴Ibid., p. 869.

the Chinese yuan in 1937 and 1941. The first agreement, concluded in July, 1937, authorized the Secretary of the Treasury to purchase in United States legal tender fifty million dollars of Chinese yuan. By February, 1938, forty-eight million United States dollars had been advanced to China, followed by an additional fifty million dollars in 1941. This 1941 agreement also provided for the establishment of a stabilization board to which Chinese Government banks were to contribute twenty million dollars.⁵⁵

Further assistance was also given to China through extended credits and Export-Import Bank loans, which were used to finance purchases in the United States. By 1940, one hundred and twenty million dollars credit had been extended. Under the Lend-Lease Act of March, 1941, the President was authorized by Congress to "sell, transfer title to, exchange, lease, lend, or otherwise dispose of any defense article" to any country whose existence he believed to be vital to the defense of the United States. In February, 1942, Congress, by joint resolution, authorized the President to extend five hundred million dollars of assistance to China through Executive Agreements in accordance with the Lend-Lease Act.⁵⁶ These funds were used to shift United States gold to China as a means to support the Chinese yuan and underwrite Chinese securities.

On May 6, 1941, the President declared, in accordance with the provisions of the Lend-Lease Act, that the defense of China was vital to the defense of the United States. As a result, China began to

⁵⁵China White Paper, p. 31.

⁵⁶Edward R. Stettinius, Jr., Lend-Lease (New York, 1944), p. 73.

receive shipments consisting of trucks, spare parts, motor fuel, as well as services of a number of motor traffic technicians, who were also sent to China as lend-lease items.

Before the might of Japanese attacks, Burma fell in January, 1942, and with it part of the strategic Burma Road. Air routes into China over the Himalyas had to be used to carry supplies into China, while a new road was being built.⁵⁷

Under the Lend-Lease Act, the United States and China worked out a program to equip and train large numbers of Chinese forces. A United States military mission was dispatched to China in November, 1941, to train Chinese soldiers to use United States equipment.

Steps were also taken to assist China to develop a "strong and well-equipped Chinese air force." A United States air mission was sent to China in May, 1941, under the command of General Clagett, to make a survey from which a program, financed by Lend-Lease funds, to train Chinese flyers and mechanics in the United States was established. By October, 1941, the first group of fifty students arrived in the United States.

Lend-Lease funds were also used to build railroads, to finance a medical mission to China, et cetera. These programs aided China to continue and intensify her struggle against Japan, who was now the common enemy.

The United States sought to boost Chinese morale further in October, 1942, by a proposal that negotiations be opened immediately to relinquish completely American extraterritorial rights in China. A

⁵⁷The new road was completed early in 1945. It was first called the Ledo Road, but later named the Stilwell Road.

treaty restoring full sovereignty to China over Americans in China was signed in January, 1943, which became effective in May upon the exchange of ratifications. The Chinese leaders "warmly approved" the treaty, because it meant that China was finally to be freed of the "unequal treaties."⁵⁸

The United States was grooming China to become a Great Power that would not only be able to defend itself and maintain its own existence, but to assert a decisive influence in the Orient in support of the United Nations. This was demonstrated in the Fall of 1943, when the United States "insisted that China be included as a signatory, together with the United Kingdom, the Soviet Union, and the United States, to the Moscow Declaration of the United Nations, which recognized the right and responsibility of China to participate jointly with the other Great Powers in the prosecution of the war, the organization of the peace, and the establishment of machinery for post-war international co-operation."⁵⁹

In November, 1943, President Roosevelt and Prime Minister Churchill met with Generalissimo Chiang Kai-shek in Cairo to discuss the conduct of the war in Asia and the political aims of the United Nations coalition in the Orient. China was promised at this conference that "all the territories Japan had stolen from the Chinese, such as Manchuria,

⁵⁸In December, 1941, the United States took further action to strengthen United States-China relations by the passage of an Act, "removing long standing legislative discrimination against China." The Chinese exclusion laws were repealed, and an immigration quote was established for China. Chinese, legally admitted, became eligible for United States citizenship.

⁵⁹China White Paper, p. 37.

Formosa, and the Pescadores, shall be restored to the Republic of China."⁶⁰

Having pledged at Cairo that China was slated to recover Manchuria, Formosa, and the Pescadores, the authors of the Atlantic Charter, in the absence of Chinese representation, made concessions to the Soviet Union at Yalta in February, 1945, that modified somewhat the promises made to China. The Soviet Union demanded as compensation for entering the war against Japan, among other things, that Port Arthur be restored to the Soviet Union for use as a naval base, and that the Chinese-Eastern Railroad and the South Manchurian Railroad be jointly operated by a Soviet-Chinese Company, with the understanding the "pre-eminent interest" of the Soviet Union would be safeguarded.⁶¹ The Port of Dairen was to be opened as a free port, but its port administration was to be headed by a Russian, while civil government in the city was to be exercised by China, which was to recover full sovereignty over Manchuria.

President Roosevelt believed that he had won a victory for peace in making Stalin pledge Soviet intervention in the Asiatic conflict within ninety days after the end of the European war. Russia's pledge to guarantee that China would regain full sovereignty over Manchuria was accepted by Roosevelt and Churchill as the quid pro quo. China could only agree to these accords, since China owed her very existence to the Great Powers, and was to be compensated by admission into the

⁶⁰United States Department of State, "Conference of President Roosevelt, Generalissimo Chiang Kai-shek, and Prime Minister Churchill in North China," The Department of State Bulletin, IX (December 4, 1943), p. 393.

⁶¹This was interpreted by the Russians to mean that the managers would be Russian and the directors mixed.

world security organization as the fourth ranking Power.⁶² The Chinese, however, were indignant over the secrecy of this agreement and resented the servitudes that they were forced to assume, but they had no alternative.

The Far Eastern barter of the Yalta Agreement placed the Soviet Union in a strategic position vis-a-vis China and Japan, militarily and economically. However, had the agreement not been formalized at Yalta, the Soviet Union might have overrun Manchuria and held it indefinitely under the law of conquest as a diplomatic advantage to dominate China and Japan. Hypothetically, she might have integrated Manchuria into the USSR or recognized the Chinese Communists as the sovereign authority in north China and nominally turned Manchuria over to them, retaining in compensation the servitudes that were imposed upon Chiang Kai-shek in August, 1945.

United States policy towards China during and after World War II consisted of unconditional support of the Nationalist government, restoration of China's lost territories, admission of China to the United Nations as a Great Power, support of China's assertion to act as the guarantor of peace and stability in East Asia, and, finally, political and economic unification of China through democratic administrative and electoral reforms, as the necessary means to achieve national unity and military prowess.

⁶²Russia also pledged at Yalta to recognize China's sovereignty over Manchuria and Sinkiang and Inner Mongolia in return for waiver to Outer Mongolia.

CHAPTER II

INTERNAL PROBLEMS

China within the last century has undergone a tremendous social upheaval. Explanation of this phenomenon lies in the undermining of the traditional economic sufficiency of the villages, and increasing subjection of the peasantry to westernization, processes that are much too complex for a full analysis in this paper.¹ However, the more salient factors of this social dislocation must be appraised in order to clarify the impasse that the Marshall Mission was instructed to mediate.

The class structure of China, prior to the advent of the westerner, included a massive peasant and artisan population that supported through an exiguous economic surplus that was tapped by rents and taxes, a landed gentry, a scholarly administrative bureaucracy, and the Manchu garrisons and ruling elite. This society was stable under the rigid control of custom and tradition, and the Chinese state was almost completely economically self-sufficient.

The burden of sustaining Chinese society materially was largely the responsibility of the peasantry which was organized collectively into

¹Fei Hsiao-tung, Peasant Life in China (New York, 1951).
Irwin T. Sanders (ed) Societies Around the World (New York, 1953),
II, pp. 1-195.
Hu Shih, The Chinese Renaissance (Chicago, 1934).
Arthur H. Smith, Village Life in China (New York, 1899).
Maurice Zinkin, Asia and the West (New York, 1953).

an authoritarian family structure, that subsisted in small villages scattered over the countryside. Agriculture was the primary occupation of the villager, and each peasant family tilled small plots of land within walking distance of the village home. Numerous peasants owned some land, but many of them either rented additional acreage from the gentry or farmed the land as tenants.

The land in China had not only an economic value, but a social value as well. The gentry class grew out of the soil, and consisted originally of families that had been fortunate enough to amass sizable areas of land over a span of generations. A relatively modest amount of land permitted a proprietor to either hire farm labor to till the soil or to rent it to tenants. The gentry became a pleasure-loving, leisure class that donned silken gowns and deprecated manual labor as lacking in dignity. Once a Chinese attained the status of a gentleman, he could not easily accept reversion to peasant status, regardless of financial adversity.

Although it was possible for peasant households to accumulate sufficient land to be able to avoid toil and live from rents, few were able to accomplish this feat. The gentry class always constituted a small minority in China, and most of the peasant households were forced to supplement their agricultural income by engaging in handicrafts, silk production, fishing, and other sideline tasks. These subsidiary activities provided many of the necessities needed in the home as well as a surplus to exchange for other necessities produced by the artisan, such as pots and pans, plough shears, et cetera. Weaving of cloth was probably the most important handicraft to the family, both to clothe the family and to sell in the village market.

Out of the peasant production, annual rents were paid to the landlord, taxes were paid to the bureaucracy and the surplus, if any, was used for family ceremonials and to purchase land. This village economy, which produced little economic surplus beyond the necessities of life and the obligations to the ruling elite and the gentry was, however, rather self-sufficient.

The landed gentry, who were dependent for their income upon the toils of the peasantry, provided the latter with an example of social and cultural status towards which to aspire and supplied the State with cultured personnel to fill the bureaucracy, which administered justice, maintained the canals and roads, provided for the defense of the country and collected the taxes to support these functions. Respect by the peasant for the gentry was in part reverence and obsequiousness, and only latently the product of fear of public sanctions which buttressed the status of the proprietary classes. Despite the conquest of China by the Manchu tribesmen in 1644, the traditional institutions of society and State continued to function, for the Manchus found it convenient to govern the Chinese through the well-trained and loyal bureaucracy that the gentry continued to supply with personnel, in return for which the gentry was allowed to maintain its hegemony over the peasant-artisan masses. The economic surplus that was required to support the Manchu elite was collected through taxes by the administrative bureaucracy.

The landed gentry never formed a political party, but dominated the State bureaucracy directly by supplying the bureaucratic administrators. Only the gentry, as a rule, possessed the economic resources to hire tutors and the leisure time to study and memorize the classics, which alone qualified one to pass the difficult civil service examinations, and to pay the costly patronage fees.

The bureaucratic hierarchy exercised its authority upon the peasant masses through an autocratic system of administration which extended from the Administrative Board to the village elders. The hsien or district magistrate, who was at the very bottom of the official hierarchy, controlled administratively several village communities. The village was normally controlled by a council of elders, who was responsible to the hsien for keeping peace and collecting the taxes. They were chosen by the village populace but confirmed by the district magistrate.

The village itself was rather autonomous, and the central regime did not interfere with its affairs as long as its obligations were fulfilled. The village elders settled most petty disputes between families quickly and sternly. These problems were considered private family matters and were not publicized outside the village. The village and family were held collectively accountable for the misdeeds of its members, and disputes that could not be settled voluntarily were dealt with harshly by the bureaucratic authorities, whose major preoccupation was to prevent all popular disturbances.

The peasantry, which composed four-fifths of the population, was politically inarticulate and concerned itself mainly with the routine of livelihood--providing itself with food and shelter and the payment of taxes. It was traditionally docile and was resigned to its status so long as this permitted life and limb. Political unrest disturbed this passive status of the Chinese peasantry only occasionally, as during the Taiping Rebellion, when economic conditions became unbearable.

The present looked upon the State mainly as a tax-collecting agency²

²George H. Danton, The Chinese People (Boston, 1938), p. 105.

which must be tolerated so long as it did not become so overbearing and oppressive that it made life insecure.³ He did not feel any patriotic duty to defend the government, nor did he appreciate any concept of national independence. He had neither time nor money to acquire literacy and education in the difficult and costly classical language, nor was he concerned with political problems which only remotely affected the family welfare. Communication and transportation facilities were so inadequate in China that the average peasant had little awareness of any world outside the village.

Manchu rule during the 19th century became increasingly impotent and discredited by the growth of economic insecurity and the penetration of China by Occidentals. Along with the degeneration of the Ch'ing Dynasty, western economic pressure and ideas penetrated China through the open ports and followed the avenues of communication. The Western Powers, having completed an industrial revolution, were anxious to establish foreign markets. China was a great potential market for such Western manufactures as cloth, kerosene, matches, and other items, which began to penetrate the urban and even village economy, replacing much of the village handicraft industry that had meant the difference between life and starvation to the peasant. The previously self-sufficient economy began to crumble and degenerate. The degeneration was intensified by China's increase in population density, and the growth in numbers among the gentry who were able to exact more rent, causing much economic distress in the villages. This condition reached

³In times of severe economic stress under the old Chinese bureaucratic system the peasants' taxes were often lightened and food from the Imperial granaries was distributed to them to keep life and limb together.

extremities in the hinterland areas that bounded the large urban centers, where usurers and speculators were able to exploit the economic distress of the peasant.

Under these strained conditions many of the peasants were forced to leave the villages, where in the past they had found unquestioned security, to seek a livelihood elsewhere. Many joined bandit groups and when administrative centralization broke down completely found security in the mercenary warlord armies, while many others migrated to the rising industrial and commercial centers on the coast. Many remained on the land, but under precarious conditions, since most peasants near the urban centers had lost their land through indebtedness and were forced to submit to outrageous rents.⁴

Unfortunately, industry and commerce were not developed sufficiently to provide work for these displaced masses of people that had migrated to the coastal areas. In China there did not yet exist a class of entrepreneurs with industrial know-how as had arisen in the West. Chinese capital was still primitive merchant capital engaged in commodity or real estate speculation instead of in fixed investments while the vast internal market for goods was localized, because of poor transportation and burdensome likin taxes on the movement of goods. The unequal treaties that fostered the importation of foreign goods and capital also made it impossible subsequently for Chinese capital to find profitable investment in industry.⁵

⁴In the Canton delta 85% of the peasants were tenants, while in the Shanghai area 95% of the peasants were tenants. Fei, Peasant Life in China, p. 186.

⁵Western (British and Japanese) capital developed textile and other industries in coastal cities and were exempt from Chinese taxes or payment of duty.

With the degeneration of the Chinese village economy and the intensification of the struggle for existence, the traditional respect for the gentry gave way to hostility among the peasantry. The gentry began to pressure the government for increasing coercive support of their threatened status, while their primacy in Chinese society was passing to the hong merchants of the port cities, who acted as middlemen between the Chinese producer and consumer on the one hand and the Occidental traders on the other.⁶ This new city gentry began to absorb the economic resources (mainly land) around the new urban centers. They loaned money to the peasantry and to the old gentry class, mortgaging the land and the crops. Once within the grips of the money lenders, it was almost impossible for the borrower to emancipate himself. One authority writes that interest rates ranged from fifty to one hundred per cent per annum,⁷ while still another points out that, in some regions, interest rates were often as high as sixty-five per cent per month.⁸

Through foreclosures, much of the land fell into the hands of the userer who often sold it to land speculators,⁹ who, in turn, either

⁶Fei Hsiao-t'ung, "Peasantry and Gentry," D. T. Sanders (ed.), Societies around the World (New York, 1953), p. 165.

⁷D. K. Lieu, China's Economic Stabilization and Reconstruction (New York, 1948), p. 42.

⁸Fei, Peasant Life in China, pp. 277-279.

⁹See footnote 4, p. 35. According to J. Lossing Buck, China's agricultural problem was not one of excessive tenancy, but rather high interest rates and in an unsound economy which prevented the farmer from receiving an adequate return for his labor. Buck found six per cent tenancy in the wheat growing regions, excluding Manchuria and twenty-five per cent tenancy in the rice growing regions, while in Szechwan he found forty-three per cent tenancy. He further reported that while most peasants owned their land and tenancy was generally limited, there was a sizable group of peasants who owned only part of their land. George B. Cressey, Asia's Lands and Peoples (New York, 1951), p. 88.

resold it or leased it out, resulting in the rise of a new absentee landlord class which took up residence in the urban communities. The absentee landlord leased the land to a tenant who would sublet it on a share cropping basis to the peasants at oppressive ratios. According to Professor Buck, who conducted studies in eleven different localities in China, total rent receipts ranged from twenty-five to sixty-seven per cent of the crop.¹⁰ The highest rents and shares were collected in the fertile rice regions of south China.

Simultaneous with the economic degeneration of the peasantry and the old landed gentry, which continued to send its sons into the State bureaucracy, the merchant classes of the cities took advantage of Western facilities that were established by the missionaries to train their progeny in the liberal professions (doctors, lawyers, et cetera). Through missionary efforts and contact with Westerners these urban Chinese became imbued with Western thought and technology, and formed the social basis for the revolutionary middle class who was to challenge the monopolization of administrative authority by the landed gentry.

Contact with the West made an impression on the Chinese, militarily and administratively. The idea that China was the center of the universe was shattered in 1842, and enlightened Chinese quickly realized that China's weakness was in her lack of development in the physical sciences and in competent administrative and military organization. Li Hung Chang, Viceroy of Chihli province, thought China's only hope for survival was to adopt Western forms of organization in the military and civil bureaucracy. The traditional gentry-reared Literati of China,

¹⁰Lieu, op. cit., p. 8.

however, were able to cause much obstruction to the movement toward modernization.¹¹

Political Elitism in Modern China.

Despite the opposition of the Confucian scholars of the old gentry class, the traditional social structure continued to disintegrate, and a new intelligentsia arose from the middle class who embraced western ideas. A revolutionary nationalist ideology was developed among these new elements of Chinese society who sought to wrest leadership and control of the Chinese state from the Manchus, and to develop a bulwark against the imperialism of the Occidental Powers and of Japan.

The overthrow of the Ch'ing dynasty was accomplished by Yuan Shik-kai, an opportunist from the gentry who had risen in the bureaucracy under the Manchus, and who had been entrusted with the organization and command of the New Model Army which he staffed with Chinese officers who were loyal to him and not to the dynasty.¹² Yuan took advantage of the growing nationalist sentiment of the middle class intelligentsia to frighten the Manchu dynasty into abdicating dictatorial powers in his favor, after which he betrayed both the Manchus and the nationalists by giving substance to the "national revolution" which he then transformed into a personal dictatorship. To give his regime permanence Yuan transformed the traditional administrative bureaucracy into a direct chain of command, and entrusted authority to his chosen subordinates within the officer staff of the New Model Army. A military bureaucracy

¹¹Harold M. Vinacke, A History of the Far East in Modern Times (New York, 1950), p. 72.

¹²John King Fairbank, The United States and China (Cambridge, 1949), p. 168.

replaced the scholarly administration in 1912, and upon Yuan's death in 1916, for lack of a strong leader, the centralized bureaucracy was broken into warring factions that transformed China into feudatory regimes operative on the regional level, and competitive for control of Peking and the right to claim the proceeds of the taxes that the Western Powers were collecting on behalf of the phantom State and the right to borrow money on the security of additional servitudes.

The Kuomintang or National People's Party, was a middle class anti-monarchist faction, which had ideologically penetrated the officer corps of the New Model Army, and indirectly fomented the first anti-Manchu uprising at Wuchang, which caused the spirit of revolt to spread rapidly throughout the Yangtze basin and to the south. The Kuomintang strove to reconcile the warlords of south China, who held all power there, to its aim of uniting all of China. Its efforts were not immediately (1912-1921) successful because of poor organization and leadership, lack of funds and war materials, and inability to gain foreign backing. After the Communists, a smaller and weaker party at the time but supported morally by the Soviet Union, joined ranks with the Kuomintang, advisory and material assistance were received from the Soviet Union, and a military force was forged to wrest control of China from the competing warlords.

Following Sun Yat-sen's death in 1925, Chiang Kai-shek assumed absolute control of the military forces of the Kuomintang. After a short period of harmony Chiang split the unity of the Kuomintang by ousting the reformists and radicals, and by transforming the Kuomintang into a personal organ which was given solid economic backing by the urban and rural gentry.

The new political elite,¹³ which Dr. Sun had headed, became organized into rival parties in 1927. They possessed many similarities from a cultural and social standpoint, for both Nationalist and Communist leaders were recruited from a "relatively thin upper layer of the Chinese population." Most of them came from the propertied classes, landlords, merchants, scholars, and officials. They generally came from those parts of China where Western influence was strongest, and nearly all of them had a higher education gained, in most instances, from abroad. They were all "alienated intellectuals" who, because of their western education and their desire to reform China, were aloof from the tradition-bound Chinese society.

The Kuomintang and Communist elite encompassed a wider social base than the old Imperial elite, for while many new leaders came from the old gentry, there were numerous individuals from the business classes of the coastal areas, as well as sons of well-to-do peasants. The unlettered urban and rural masses did not find ready access to the ranks of either party elite because of their relative isolation from cultural forms of expression and education.

The "most striking difference" between the leadership of the two parties was originally their "urban-versus-rural orientation," for social origin of the Communist prototype was generally lesser gentry or prosperous peasantry, while the typical Kuomintang leader came from the merchant stratum. The Kuomintang was from the outset urban in its orientation and representative of the business class, while the Communist party became increasingly rural in its orientation and the spokesman of

¹³Robert C. North, Kuomintang and Chinese Communist Elites (Stanford, 1952). This is the major source for the discussion of the new political elite in China. Information from other sources will be indicated.

the peasantry.¹⁴ Mr. North indicates that this trend persisted and that the division between the two parties became "increasingly a split between the business-oriented and rural-oriented young professional revolutionist."

Geographically the Kuomintang hierarchy came principally from the coastal areas, while the Communist leadership came from central China.

In terms of education, nearly all the Kuomintang leaders had formal training in the institutions of higher learning, while among the Communists, a portion of the leadership was self-educated. However, the Communists were able to attract into their ranks a larger number of accomplished intellectuals with polished backgrounds gained in the universities of Western Europe.

While social and educational differences contributed to diverse ideological orientations, the major determinant of party affiliations was perhaps "a personal-psychological one," since those in the Kuomintang, being the party in power, developed their careerist mentality into a defense of the status quo, while the Communists, as the party out of power, emphasized ideological factors as a means to enlist mass support among the masses. Communists and Nationalists, however, depended equally upon military force to gain control and exercise authority over territory and population, although the Communists developed a set of so-called "mass-line tactics"¹⁵ which enlisted the positive support of the peasantry through reformist politics. The Kuomintang used its

¹⁴This observation was based on statistics dealing with origin of the leadership of the two parties between 1924-1929.

¹⁵Arthur H. Steiner, "Current 'Mass-Line' Tactics in Communist China," The American Political Science Review, XLV (June, 1951), p. 422. The author defines "mass-line tactics" as a policy "designed to effect that relationship between the party and the masses best calculated to enable the revolutionary leadership to capture mass support for its program."

military forces as the only mainstay of its political authority. It neglected to reach the masses through propoganda and social reforms.

Rise of the Kuomintang and the Communist Party.

During the period of warlordism in China, the Kuomintang struggled to maintain its existence, for it was loosely organized, short of funds, and had no coercive support to rely upon except that of sympathetic warlords. Sun Yat-sen made a bid for foreign support, but the western powers turned a "deaf ear" to his request. The Soviet Union, on the other hand, willingly lent him assistance through the Comintern and the Communist party of China.

The Communist Party of China was organized in 1919 in Peking by Ch'en Fu-hsui, a professor of literature at Peking University.¹⁶ It was weak, small, and ineffective at first, but soon won recognition and moral support from the Comintern.¹⁷

The Comintern's tactics for colonial areas were formulated by Lenin and Stalin, who indicated that the Communist International must form a temporary alliance with the "bourgeois democrats" of the colonial and backward countries. He insisted, however, that the Communist Party must not merge with them, but must "unconditionally preserve the independence of the Proletarian liberation movement." He further stated that the bourgeois liberation movements in the colonial and backward countries would be supported only when they were "truly revolutionary movements."¹⁸

¹⁶Robert C. North, Moscow and Chinese Communists (Stanford, 1953), p. 53.

¹⁷The Chinese Communist Party was represented at a conference in Baku, Russia, for the Far Eastern Countries, in 1920.

¹⁸Joseph Stalin, Marxism and the National and Colonial Question (New York, approximately 1930), p. 234.

The Communist alliance with the Kuomintang revolutionary movement was mainly a tactical maneuver, whose object was to join the Kuomintang, in order to "squeeze-out" its leadership and capture control of the movement.¹⁹

The Kuomintang received from the Comintern some material aid and expert assistance in organizing a revolutionary party. The party was reorganized on the principle of "democratic centralism," whereby local party cells were created, representation to party conventions was established, and party discipline was tightened. Members of the Communist party joined the Kuomintang while retaining Communist membership, and Soviet Russian advisers went to China. Chinese students were sent to the Soviet Union to study revolutionary methods and procedures, and the Whampoa Military Academy was organized to train military officers for the Kuomintang. Chiang Kai-shek, recently returned from the USSR after studying military science there and in Japan, became its head. Propagandists were trained also, to stir up popular emotions and line up the masses behind the revolution.²⁰

In this "uneasy alliance" the Communists and the Kuomintang actually agreed only upon the repudiation of Western easements. There were many disagreements over the method of promoting the national unification of China, since the Communists emphasized tactics that promoted the class-struggle (labor-versus-management, peasant-versus-landlord and official), while the Kuomintang was interested in defending the

¹⁹North, Moscow and Chinese Communists, p. 29.

²⁰Fairbank, op. cit., p. 188.

traditional multi-class social structure while generating power to subdue the warlords and regain sovereign equality for China.²¹

Chiang Kai-shek and the young officers under his command led a revolt against the left-wing Kuomintang leadership in April, 1927, at the instigation and prodding of wealthy landlords and merchants. Chiang Kai-shek set up a rival Nationalist party and government at Nanking, launched a reign of police terror against all Communists and their "sympathizers," and used his armed forces to disintegrate the original Kuomintang party and the Hankow government which it had established with the assistance of the Comintern in 1925.

China Under the Kuomintang.

The Nationalist government has been described as "the most modern and effective" government that China ever had, despite the fact that it was a party dictatorship, under the personal leadership of Chiang Kai-shek. Financial support came originally from the Chinese merchants and the financial speculators of Shanghai.²²

Under the guidance of T. V. Soong, the currency was unified and stabilized, budget and accounting methods were instituted, and a modern civil service was organized and expanded. German military advisers were employed to forge the armed forces into a national army that would serve the state rather than personal commanders. Conscripts for the first time in Chinese history replaced the mercenaries as soldiers, while Chiang's authority was strengthened through ties of personal loyalty with the field commanders. New civil and military codes were promulgated

²¹Ibid., p. 189.

²²Ibid., p. 193.

in an effort to modernize Chinese legal practices, a necessary prelude, established by the Washington Conference, to the recovery by China of her bartered sovereignty.²³

After improving the efficiency of the central government, Chiang Kai-shek turned his attention to the recovery of Chinese sovereignty. The Nationalist government gained recognition from most of the Western Powers, who agreed to re-negotiate the "unequal treaties" as a consequence of the reform of the administration and legal codes.

Tariff autonomy was another aspect of this problem, as Chinese custom duties were collected by Occidentals on behalf of the international bankers who held Chinese obligations. In addition the tariff was pegged and could be changed only with the consent of the treaty Powers, which placed a burden of taxation upon the landowners on which Chiang depended for support. By 1930, successful negotiations gave China tariff autonomy.

Another onerous servitude was the extraterritoriality that most of the major foreign Powers in China continued to exercise after 1919. When China demanded that judicial competence be restored to her courts at the Washington Conference, the Powers conditioned their acceptance of any reform of extraterritoriality upon the introduction of a fully Occidental system of civil and penal law and the modernization of punishments and prisons.²⁴

Chiang Kai-shek was determined to eliminate the unequal treaties and regain China's lost sovereignty, but he was impotent without

²³Ibid., pp. 193-194.

²⁴Although the Nationalists reformed the legal codes, the powers refused to agree upon the termination of extraterritorial jurisdiction until political motives caused the United States and Britain to renounce their easements in 1943.

Occidental support to check Japanese incursions upon China's very existence as a state. Chiang made the blunder of believing that Japan might be conciliated through appeasement, and that the Japanese would leave China sufficiently intact to function as a sovereign state. In pursuing the ideological struggle against Communism, Chiang and the Nationalists encouraged the advance of Japanese colonialism and thereby weakened patriotic sentiment among his own countrymen.

Chiang and the reactionary oligarchy which operated the Kuomintang dictatorship after 1927 feared the spread of agrarian agitation and the social revolution that the Chinese peasantry was generating behind the leadership of the Communists more than the eventuality of a total Japanese conquest. Only the revolt of his warlords at Sian in 1936 induced Chiang to reverse this anti-national policy in favor of a patriotic "united front" to save Chinese independence from Japanese colonialism.

Chiang Kai-shek undertook to reform the traditional feudal corporatism in order to encourage the economic development of the commercial, industrial, and financial cliques. Improvements were made in the communication, transportation, and banking facilities of the country, which eased the penetration of the village economy by urban capital. The outbreak of hostilities against Japan in 1937 and the rapid occupation by the Japanese of the major urban centers encouraged the growth of State-supported enterprises and resulted in the creation of an interlocking relationship between private capital and the party-state, in which the latter subsidized the former and was guaranteed monopolistic domination of Chinese industry.²⁵

²⁵Vinacke, op. cit., pp. 592-595.

In 1938, prior to the fall of Hankow, the Kuomintang finally encouraged the formation of industrial cooperatives in the villages in a desperate effort to secure a flow of vital commodities to its armies. Producer cooperatives were designed to meet local commodity needs and to decentralize industrial production to safeguard it against further Japanese occupation of additional areas of China and to escape the consequences of bombings.

Agriculturally the Kuomintang needed to increase food output in order to maintain the precarious living standard of the peasants and to supply the needs for war. The peasant was not as docile in the 1930's as he once had been. Improved communication and transportation systems, as well as increased literacy had made the peasant more aware of the world about him. His demands were greater and his grievances were more vocal.

Chiang Kai-shek was not interested in promoting a revolution of the social order in the rural areas through legislative reform of land tenure and share cropping. Studies were made to determine the basic needs of the peasantry and ways to increase agricultural production through scientific improvements in crop yields, animal breeding, and health services for the peasants.²⁶

This limited rural program indicated a sense of awareness that peasant poverty was breeding mass unrest and disorientation at a time when greater civic loyalty was demanded to protect the State from dissolution. The greatest problems in the mind of the peasantry were the absence or inadequacy of peasant property and the extortionate character of leaseholds, sharecropping agreements and usurious rates on

²⁶Fairbank, op. cit., pp. 197-198.

loans.²⁷ They demanded that the land be redistributed, and the rents, interest rates, and taxes be reduced. The Nationalists, however, did not redistribute the land, but fixed the maximum rent per annum in 1930 at thirty-seven and one-half per cent of the crop.²⁸ The social status and security of the landlords and wealthy peasantry were threatened, but enforcement of this decree remained lax, for the Kuomintang could not afford to alienate this sector of the population.

The Success of the Communist Party.

When Chiang Kai-shek established his regime at Nanking in April, 1927, all Communists were purged from the Kuomintang. This was a serious setback for the Communists, since their intentions in allying themselves with the Kuomintang were to support and eventually gain control of that organization by squeezing out the non-Marxist leaders. Moscow had counted strongly upon a long-term collaboration with the Kuomintang, for the Soviets considered the activities of Chiang as the beginning of the second or "bourgeois democratic" phase of the Chinese revolution, during which the national bourgeoisie would abandon leadership of the revolutionary transformation of society to the proletarian and peasant classes under the leadership of the Communist party.²⁹ An additional setback to the Communists that resulted from their ousting from the Kuomintang was their temporary alienation from the labor organizations of the cities. The repressive policies of the Kuomintang

²⁷Actually the greatest overall agricultural problem in China was the shortage of land in proportion to the population it had to support.

²⁸Fairbank, op. cit., p. 206. The degree of enforcement of this law was not determinable.

²⁹Stalin, op. cit., p. 243. The first phase of the revolution, according to Stalin, was the general national united front which was directed chiefly at the "foreign imperialist" in China.

dismayed the weak labor movement into apathetic concern over the political aspects of the class struggle, particularly after the failure of the ill-planned and futile attempt by the exuberant syndicalist faction of the Communist party to engineer an uprising by the urban laborers against the Kuomintang in 1927.³⁰ (The leader of this faction-- Li Li-san withdrew eventually from China to the USSR leaving to the Mao-Chu group, leadership of the Communist party with its peasant-agrarian approach).

Among the causes for the failure of the Communists to capture leadership within the Kuomintang was their lack of success in gaining command over the armed forces,³¹ and failure to guard against the opportunism of many, like Chiang, who placed personal wealth and position above ideological loyalty. The Communists emphasized that the revolutionary cause could be promoted only through unity of action between the national bourgeoisie led by Chiang Kai-shek, and the proletarian peasant movement of the Communists since the common enemy to be combated was foreign imperialism.³²

The split with the Kuomintang caused factional strife to develop within the Communist party of China between the "returned students" (students returned from Russia), who emphasized importance of organizing the urban proletariat into a revolutionary vanguard, and the more "home-spun" Communists, characterized by Mao Tse-tung and Chu Teh, who contended

³⁰ Benjamin I. Schwartz, Chinese Communism and the Rise of Mao (Cambridge, 1951), p. 98.

³¹ Ibid., p. 80.

³² Stalin made a statement as late as April 5, 1927, to the effect that "at present, we need the right. It has capable people who still direct the army and lead it against imperialism." Schwartz, op. cit., p. 79.

that the main force of the revolution in China was the peasantry.³³

The importance of the peasantry as the primary revolutionary class in China was emphasized by Mao in his "Report on an Investigation of the Agrarian Movement in Hunan" in which he expressed the opinion that:³⁴

If we were to compute the relative accomplishments of various elements in the democratic revolution on a percentage basis, the urban dwellers and military would not rate more than thirty per cent, while the remaining seventy per cent would have to be allotted to the accomplishments of the peasants in the country side.

The Comintern recognized the importance of the peasant in supporting the revolution, but it followed traditional Marxist doctrine which claimed class leadership by the proletariat over the peasantry, as had been the case in Russia.³⁵ Li Li-san was unable to assess the importance of the peasantry in China, nor see its great revolutionary potentialities in sustaining a prolonged class struggle through partisan warfare.

Despite the fact that Mao was "repudiated" by the Comintern in 1927, because of his unorthodox ideas,³⁶ he won leadership within the Communist movement of China. He matured and formulated the tactics of forging a socialist order within China among the peasantry by fostering among them such organizations as local soviets and a Red army. Mao and Chu Teh organized the first Chinese Red Army from their personal guerrilla contingents, composed originally of displaced peasants who were drawn from the rural areas of Hunan and Kiangsi.³⁷ In 1932,

³³North, Moscow and Chinese Communists, pp. 162-164.

³⁴Schwartz, op. cit., p. 75.

³⁵Ibid., p. 125.

³⁶Ibid., p. 104.

³⁷North, Moscow and Chinese Communists, p. 126.

the local soviets were drawn together to form the Central Soviet Government, which was located in the town of Juichin in Kiangsi Province.

This government styled itself as a transitional "democratic dictatorship of the proletariat and the peasantry."³⁸

By the Autumn of 1934, Chiang Kai-shek's "extermination campaign" against the Communists caused the latter to plan an exodus from Kiangsi to the isolated Northwest, for in Kiangsi the Communists were encircled within a small territorial base that was difficult to defend and lacked material resources to sustain large-scale guerrilla operations. Moscow was consulted and advised the Chinese Soviets to seek safety, if necessary, by shifting to Outer Mongolia.³⁹ The celebrated "long march" was commenced in the Fall of 1934, the Communists reaching Shensi in the Fall of 1935, and organizing their headquarters at Yen-an.

An analysis of the factors that resulted in Communist political hegemony within China would require a far-reaching study of the impact of Western capitalism and culture upon China from 1839-1949, the disintegration of the self-sufficient economy and the exasperation of the struggle for life that ensued, the sharpening of the cleavage between propertied and non-propertied classes, and the inadequacy of the Nationalist regime's program for physical and psychological betterment of the masses. The Nationalist regime became increasingly an instrument of the speculators and office-holders in China, and lacked interest in promoting the national well being of all Chinese--peasants, urban middle classes and proletariat. The Nationalist regime also blundered by alienating the idealistic intellectual elements.

³⁸Ibid., p. 152.

³⁹Ibid., p. 164.

The Communists possessed a tight, well-disciplined military and civil bureaucracy under the leadership of Mao Tse-tung, which skillfully molded peasant mass discontent in China into a politically active force. Communist propaganda and tactics were concerned with the practical local problems of the peasantry, which the Nationalist regime had ignored. The doctrinaire Marxist millenium, which the "returned students" made their goal, was subordinated to the achievement of practical reforms among the peasantry.

The Communists also pursued a practical policy towards achieving the national aims of China, for not only did they demand national equality with other world powers, but they advocated a "united front" against Japanese aggressive colonialism, to which Chiang Kai-shek, under coercion at Sian in December, 1936, reluctantly acceded. They won popular esteem by agreeing to postpone their collectivist policies in the interest of the common national goal of independence and territorial defense.

The Japanese aroused much public resentment in the occupied areas, for the populace was badly treated, and the Kuomintang was blamed for appeasing the Japanese in pursuance of narrow partisan motives, which rebounded to the advantage of the Communists.

During the course of the war, the peasantry was heavily taxed, conscripted into the service, forced to contribute its modicum of food to the national armies, and to top it all, was made the victim of speculative inflation. These factors resulted in widespread hardship and suffering that destroyed respect for the Kuomintang. The Communists took advantage of such popular resentment to promote good will among the peasantry and the urban middle classes and towards themselves through

their widely-vaunted moderate⁴⁰ reformism and financial stability.⁴¹

The Communists won widespread acclaim from the peasantry by skillfully "selling" their reforms of economic and social emancipation from the tax collectors, the landlords and the money lenders and by organizing producer, labor and consumer cooperatives.⁴²

The Communists lacked capital and scientific techniques to increase the productivity of the land, but they compensated in part for this by encouraging the peasants to cooperate in land reclamation in the exchange of labor and in the distribution of commodities. Although the management of these organizations remained in the hands of Communists, the peasants were made to believe that they were participating in the formulation and execution of policies that embraced their welfare. The psychological reaction was highly rewarding for the Communists, who skillfully organized the be-friended peasantry into a potent political force.⁴³ The peasantry was quickly transformed from the traditionally inarticulate and passive bystander into a militant, politically conscious supporter of the Communist regime. This transformation of the social

⁴⁰Moderate in the sense that institutions were not radically changed.

⁴¹Fairbank, op. cit., pp. 210-211.

⁴²Vinacke, op. cit., p. 453. This lasted until the Chinese Communists were firmly in control and became engaged in the Korean war, when taxes had to be raised to finance the war. The population was also "asked" to contribute liberally to the Aid Korea Resist America Fund. In addition to the regular taxes the Communists have instituted commodity taxes and business turnover taxes which are rather high. On cloth alone the commodity tax was around sixteen per cent of the production cost. These taxes are to all intents and purposes hidden taxes. The Communists are also dependent upon the agrarian populace for the industrialization of China, as was the case in Russia. Frank Moraes, Report on Mao's China (New York, 1953), pp. 42-58, 126-145.

⁴³Fairbank, op. cit., p. 208.

psychology of the Chinese peasantry was the most important factor behind the success of the Communist Party.

CHAPTER III

GENERAL MARSHALL'S MEDIATION EFFORTS

The Background to the Marshall Mission.

On November 27, 1945, President Truman announced the resignation of Ambassador Hurley and the appointment of General George C. Marshall as his special representative to China, with the rank of ambassador. General Marshall's assignment was to "bring to bear the influence of the United States to the end that unification of China by peaceful, democratic methods might be achieved as soon as possible and concurrently to endeavor to effect a cessation of hostilities, particularly in North China."¹

General Marshall was not embarking upon a new task for the United States, for General Stilwell, as well as General Hurley, before him, had attempted unsuccessfully to bring about a unification of the Kuomintang and Communist armies, and in so doing to unify the Government, primarily for the purpose of prosecuting more effectively the war against Japan.

Kuomintang and Communist collaboration, which had always been conducted on a precarious basis, began with the united front of 1937, when Chiang Kai-shek, under duress at Sian, agreed to cease fighting the Communists in order to oppose Japanese aggression. Both parties

¹United States Department of State, United States Relations with China, Far Eastern Series 30 (Washington, 1949), p. 132. Hereafter this will be referred to as the China White Paper.

agreed that Chiang Kai-shek should assume leadership of the coalition, while the Communists agreed to abandon their efforts to establish a rival government in China, and to discontinue their policy of land confiscation. By the terms of this agreement, the Chinese Soviet government was to be abolished and the Red Army was to be placed under the authority and direction of the Military Affairs Commission of the National Government, whose military forces were redesignated the National Revolutionary Army.²

The united front resulted in the establishment of nominal unity between Kuomintang and Communists, who cooperated "at least superficially" until the fall of Hankow in October, 1938. During the Spring of 1939, tension resulted when the Communists accused the Kuomintang of responsibility for the massacre of three hundred Communist guerrillas in Shantung. In January, 1941, open conflict broke out between them, when the Communist-led New Fourth Army was attacked without cause or warning by Kuomintang forces.³

A scarcely concealed rivalry for exclusive advantage and eventual political hegemony between Nationalists and Communists prevented the Chinese from prosecuting the war against Japan to the satisfaction of the United States. General Stilwell, serving in the dual capacity of American commander of the China-Burma-India theater, and as chief of staff to Chiang Kai-shek, attempted unsuccessfully to bring the Communist and Nationalist armies under his unified command, in order to press the war against Japan from the Chinese mainland. Chiang Kai-shek

²Conrad Brandt, Benjamin Schwartz, and John K. Fairbank, A Documentary History of Chinese Communism (Cambridge, 1952), p. 246.

³Ibid., p. 240.

was adamantly opposed to President Roosevelt's suggestion that General Stilwell be given absolute command of all Chinese armies, which would have included the Communist armies along with the Nationalist forces, making available to both in return extensive military assistance through the Lend Lease Act. The Generalissimo feared that such aid to the Communists would imperil the establishment of the Nationalist domination over China following Japan's defeat.

General Hurley was dispatched to China by President Roosevelt with instructions to mediate the heated dispute that had broken out between General Stilwell and Chiang Kai-shek over the latter's reluctance to submit to Stilwell's leadership and strategy.⁴ The Hurley mediation failed, and Chiang forced Roosevelt to replace General Stilwell with an American officer who was instructed to collaborate with the National government of China instead of seeking to direct China's military contribution against Japan. General Wedemeyer took General Stilwell's place as the Generalissimo's chief of staff and commander of United States forces in China.

General Hurley remained in China with instructions from President Roosevelt to find some way to coordinate and unify the rival Nationalist and Communist armies under Chiang's Nationalist government, in order

⁴In fairness to both disputants, it should be stated that General Stilwell's major concern was to mobilize the available Chinese military forces immediately, and direct them in an offensive action against the Japanese, so as to hasten Japan's defeat and spare American lives elsewhere. He sought to equip Communist as well as Nationalist armies, because the former was highly disciplined and capably commanded, and with American equipment, over-all direction, and air support, might be used to spearhead the offensive against the Japanese occupation forces. Chiang was concerned primarily with the political consequences of equipping the Communist forces with modern weapons, for this would increase Communist resistance against Chiang's eventual plans to uproot them by force.

to take offensive action against the Japanese. Hurley soon realized that this could be done only through a political rapprochement between the Communists and Nationalists and the creation of a coalition regime in which a balance of forces might be established and maintained.⁵

American policy was thereupon directed to promote China's political "unification by peaceful means." Hurley was instructed to prevent Communists and Nationalists from using military force to further the goal of one party domination, and he was given broad authority to implement these instructions.⁶

Hurley's mediation proceeded from the wartime psychology, that the USSR had abandoned the goal of world revolution and that the Chinese Communists were agrarian reformers. His trip to China took him to Moscow, where Foreign Minister Molotov, in very general and vague language, indicated that the Soviet Union was in no way encouraging the Communist movement in China. General Hurley was elated by this assurance, and sought to convince Chiang Kai-shek that Russia did not intend to support the Communists in China morally or materially, since the USSR had repudiated world revolution, abolished the Comintern and sought only peace and harmony with the legitimate government of China. Generalissimo Chiang apparently was convinced, judging from General Hurley's account to Washington.⁷

⁵Herbert Feis, The China Tangle (Princeton, 1953), p. 208.

⁶Ibid., p. 212-213.

⁷General Hurley reported: "At the time I came here Chiang Kai-shek believed the Communist Party in China was an instrument of the Soviet Government in Russia. He is now convinced that the Russian Government does not recognize the Chinese Communist Party as Communist at all and that (1) Russia is not supporting the Communist Party in China, (2) Russia does not want dissension or civil war in China, and (3) Russia desires more harmonious relations with China." China White Paper, p. 73.

General Hurley initiated his mediation by bringing together the representatives of the Kuomintang and Communist Party in an attempt to help them construct a plan for the unification of their armies. The Communists issued a set of proposals which, in effect, invited the two parties to: (1) unite their military forces to defeat Japan; (2) form a broad coalition government to include Communists and Independents as well as Nationalists; and (3) organize a United National Military Council consisting of Communist and Nationalist officers. Under this set of proposals all Chinese fighting forces would carry out the orders of the national coalition government, and all would receive an equal ratio of United States equipment and supplies.⁸

The National government countered with the proposal that: (1) the Communist forces be incorporated into the Nationalist army; (2) the direction of all Chinese armed forces be given to the National Military Council; and (3) the National government designate a high-ranking Communist officer to sit in the National Military Council. In addition, the Nationalists insisted that the Three People's Principles of Dr. Sun Yat-sen's be accepted as the basis for national coalition government.⁹

The Communists refused to accept the terms of the Kuomintang, which amounted to capitulation, and indicated the futility of the negotiations. General Hurley pleaded that the proposals be accepted only as a basis for discussion, whereupon the rival parties agreed. New proposals were presented and the discussion revolved around the problem of how to divide authority in the contemplated coalition

⁸Ibid., p. 74.

⁹Ibid., p. 75.

government, and how to unify the military forces. The Communists were determined to maintain their divisions and army corps intact under Communist officers, while the Kuomintang was bent upon absorbing them piece-meal into the Nationalist army and scattering them individually or in small groups so they might not constitute a political threat to the Kuomintang government.

General Hurley managed to keep the representatives¹⁰ of the two rival parties talking, hoping to find some solution to the dilemma. In the course of his efforts, strained relations developed between him and some of the American Foreign Service officers. Hurley accused the professional Foreign Service men of siding in with the "Chinese armed party" (Communist party), and he charged that certain American career diplomats "continuously advised the Communists" that his "efforts in preventing the collapse of the Nationalist government did not represent the policy of the United States." Hurley accused them of having advised the Communists to refuse any proposed plan of unification unless they, the Chinese Communists, obtained the substance of their demands.¹¹

Hurley, in disgust, resigned on November 26, 1945. He was of the opinion that President Truman and Secretary of State Byrnes had not given him their full support, having been guided by the career diplomats whom he distrusted.¹²

¹⁰General Chou En-lai represented the Communists while Dr. T. V. Soong, Dr. Wang Shih-chieh and General Chiang Chih-chung represented the Kuomintang.

¹¹Hurley's letter of resignation, November 26, 1945. China White Paper, p. 581.

¹²Feis, op. cit., pp. 409-411. In testimony before the Joint Committee on the Military Situation in the Far East, Hurley remarked that he had been wrong in including President Truman in the "conspiracy against him and owed him an apology."

Conditions in China Previous to the Marshall Mission.

Japan suddenly collapsed in August, 1945, bringing the second World War to an end. Russia had entered the Pacific war on August 8, 1945, prior to Japan's capitulation, and had been able to occupy Manchuria and, by agreement with the United States, had accepted the surrender of the Japanese in North Korea. The Chinese Communist guerrillas, in the meantime, had spread out over much of north China and Manchuria, and had accepted the surrender of many Japanese contingents in the north China area, capturing considerable quantities of enemy war materials that bolstered their war-making potential, to the consternation of the Nationalist regime.

General Wedemeyer, the commanding general of American forces in China, issued a report in November, 1945, in which he indicated that the Nationalists were "unprepared for occupation of Manchuria in the face of Communist opposition." He reported that the Nationalists lacked adequate logistical support to occupy and hold Manchuria in the face of Communist pressure. General Wedemeyer recommended that Chiang Kai-shek consolidate his position between the Great Wall and the Yangtze, and secure his overland lines of communication before pushing into Manchuria. He also recommended that Chiang institute political and social reforms by eliminating corrupt and incompetent officials, and by scaling down the tax burden.¹³

General Wedemeyer cautioned that Chiang Kai-shek would be unable to occupy Manchuria until a satisfactory agreement had been reached with the Russian military occupation authorities and the Chinese Communists, and he was of the opinion that the Soviet Union was setting

¹³China White Paper, p. 131.

up favorable conditions in Manchuria for Chinese Communist occupation, and possible detachment of that region as well as north China. His final recommendation was that the United States, Great Britain, and Russia establish a trusteeship over Manchuria until the Nationalist government was able to discharge its responsibility.¹⁴

Early in December, 1945, reports came from China that the Communists, who had refused to send representatives to Chungking to participate in the discussions of a Political Consultative Conference scheduled by Chiang Kai-shek to convene on December 10th, had decided to send delegates. In notifying the Kuomintang of this decision, they emphasized that they sought to maintain friendly relations with the United States, and that they were not opposed to the movement of Government troops into Manchuria. Chiang Kai-shek moved his troops into Manchuria despite General Wedemeyer's recommendations, and by December 7, 1945, Nationalist forces were reported to be within twenty miles of Mukden. The Communists did not oppose this advance, which raised hopes for a negotiated settlement of the bitter Kuomintang-Communist rivalry.¹⁵

Although General Wedemeyer had recommended that Chiang Kai-shek consolidate his position south of the Great Wall, the United States Department of State was pressing for the immediate occupation of Manchuria. The Joint Chiefs of Staff interrogated the Far Eastern Commanders¹⁶ for recommendations as to how the United States might assist Chiang to occupy Manchuria. The Commanders recommended that six Chinese armies be transported to Manchuria with American equipment,

¹⁴Ibid., p. 132.

¹⁵Feis, op. cit., p. 415.

¹⁶General MacArthur, Admiral Spruance, and General Wedemeyer.

only on condition that a political compromise uniting China under a single undisputed government was consummated.¹⁷ The Joint Chiefs of Staff quickly agreed to this plan which was accepted by the Secretary of State and approved by the President.

On December 9, 1945, General Marshall and Secretary of State Byrnes, together with advisers,¹⁸ met to discuss the terms of reference that should guide General Marshall's mediation mission in China. Byrnes stressed that it was essential to the interests of the United States that China emerge strong and militarily and politically unified, for he feared that otherwise, Russia might wrest control over Manchuria and exert influence in north China. Byrnes indicated that General Marshall must be given adequate means to carry out a successful mediation between the Nationalist government and the Communist party.¹⁹

General Marshall was perplexed as to what type of pressure might be applied if the Communists should agree to an American plan and the Nationalists should refuse. Secretary Byrnes told Marshall to advise Chiang Kai-shek that the United States, under these circumstances, would have to cooperate with the Communists insofar as the evacuation

¹⁷United States Senate, Committee on Armed Services and Committee on Foreign Relations, Military Situation in the Far East (Washington, 1951), Part 3, pp. 2247-49.

¹⁸Dean Acheson, John C. Vincent, and General John Hull. It was brought out in the Joint Committee on the Military Situation in the Far East that Vincent wrote the draft of General Marshall's instructions. There were two schools of thought on the United States' China Policy--the Lattimore-vincent school, which was opposed to giving further aid to Chiang Kai-shek, and the Wedemeyer school, which was in favor of giving Chiang Kai-shek support. John Carter Vincent was in charge of the Office of Far Eastern Affairs in the State Department. Ibid., pp. 459-464.

¹⁹Feis, op. cit., p. 418.

of the Japanese from north China was concerned, and that further military and economic aid to the National government from the United States would be withheld. On the 11th of December, however, Secretary Byrnes reportedly changed his mind and instructed General Marshall that he was not to abandon Chiang Kai-shek under any circumstances, even if he should refuse to cooperate. This decision by Byrnes was not included in the written instructions that General Marshall was given.²⁰ If the Communists remained uncooperative, General Marshall was authorized to give full-scale United States military support to the Kuomintang, by moving additional Nationalist troops into north China on the pretext of having to evacuate the Japanese.²¹

General Marshall's instructions were drawn up in a letter from President Truman and contained the following enclosures: (1) a statement of United States policy toward China;²² (2) a memorandum from the Secretary of State to the War Department; (3) a press release on United States policy toward China.

These documents emphasized that the general objectives of the Marshall mission were to promote a "strong, unified, and democratic China" and to effect an arrangement that would re-establish Chinese sovereignty over Manchuria.

²⁰Ibid. Secretary Byrnes probably changed his mind after consultation with advisers and President Truman. However, this point seems to indicate a shift in United States policy toward the Soviet world. Secretary Byrnes had just returned from the London Conference (September, 1945), in which he had stubbornly resisted the Soviet Union's demands for a freer hand in eastern Europe, indicating a possible change from appeasing the Russians to sternly opposing their expansion. It is possible that this historic decision crystallized between the time of Byrnes' original statement on December 9 to his verbal instructions of December 11, 1945.

²¹Ibid., p. 419.

²² Not printed in the China White Paper or otherwise available.

President Truman, in his letter, stated that he and Secretary Byrnes were anxious that China be unified as quickly as possible by peaceful and democratic means, and that a strong and unified China was essential for world stability and peace. He might have added that the United States had an economic interest in a unified and strong China, as well--viz. promotion of American trade with and investments in China.

General Marshall attempted first to negotiate a truce agreement to restrain the rival armies from the use of violence to dislodge one another from their established positions in Manchuria.

Next he sought to convene a national conference of representatives of the major political parties, where some solution to the threatened civil war might be worked out consistently with the maintenance of territorial and political unity. And since the existence of autonomous armies, that represented the will of the rival political parties, was inconsistent with sovereignty, General Marshall logically demanded that the Kuomintang and Communist armies be integrated into a unified Chinese national army.

General Marshall had to work through the organs of the Nationalist regime, since it was universally recognized as China's legitimate government, even though he was aware that the Nationalist government was a dictatorial "one-party government."

General Marshall's instructions also made it clear that the details for achieving political unity must be worked out by the Chinese themselves, lest the United States be accused of committing intervention in China's domestic affairs in contravention of the United Nations Charter. It was specified that United States support would not include military intervention on the side of either belligerent.

American marine and naval forces had been stationed in north China to assist in the evacuation of the Japanese. Their presence may have deterred any boldness or indiscretion that the Communists and the Russians may have contemplated, and they undoubtedly stiffened the intransigence of the Nationalists.

The State Department, in a memorandum to the War Department dated December 9, 1945, which was included as part of General Marshall's instructions, in brief, requested the War Department to instruct General Wedemeyer that:²³

- (1) Arrangements to assist the Chinese National government in transporting Chinese troops to Manchurian ports, including logistical support, may be put into effect;
- (2) He might proceed with plans to put into effect the stepped-up arrangements for the evacuation of the Japanese troops from the China Theater;
- (3) Further transportation of Chinese troops to north China be held in abeyance pending the outcome of General Marshall's discussions with the Chinese leaders in Chungking for the purpose of arranging a national conference of representatives of all the major political groups, and for a cessation of hostilities;
- (4) Arrangements be made to transport Chinese troops into north China, but without allowing this to be known to the Chinese government. Such arrangements to be executed when General Marshall determined either: (a) that the movements of Chinese troops to north China was not inconsistent with his negotiations, or (b) that the negotiations had failed or showed prospects of success, and that it was feasible to effectuate the terms of the Japanese surrender.

Herbert Feis points out that these instructions were contrary to General Wedemeyer's advice to Chiang Kai-shek that he consolidate his position in north China before moving into Manchuria, because of the risks involved. The Russians might have prolonged their occupation

²³China White Paper, p. 607.

of Manchuria, which might have resulted in their turning over the stocks of Japanese weapons and supplies to the Communists. Wedemeyer had cautioned Chiang on the assumption that United States forces were to be withdrawn from China.²⁴

President Truman authorized General Marshall to speak with the "utmost frankness" to Chiang Kai-shek and other Chinese leaders, and to emphasize that "in connection with the Chinese desire for credits, technical assistance in the economic field, and military assistance, that a China disunited and torn by civil strife could not be considered realistically as a proper place for American assistance...."²⁵

General Marshall, reached Chungking, just prior to Christmas, 1945, and set about to tackle the difficult task of political mediation at a time when the United States was demobilizing and reverting to the psychology of normalcy. The American people were in the flush of optimism that the United Nations and the Big Three, by eliminating the Axis, had thereby uprooted all cause for future war.

General Marshall held conferences with the various political factions that were present in Chungking to attend the sessions of the Political Consultative Conference. His first objective was to find a common ground between the two main contenders for political control of China. He conferred at length with Chou En-lai, the chief Communist delegate, Chiang Kai-shek and various other officials of the Kuomintang, Lo Lung-chi and other members of the Democratic League in China, as

²⁴Feis, op. cit., p. 421.

²⁵Letter from President Truman to General Marshall, December 15, 1945. China White Paper, p. 606.

well as United States military and diplomatic officials stationed in China.²⁶

Simultaneously, organizational meetings of the Political Consultative Conference were held, since the initial convocation of the conference had been postponed pending the dispatch by the Communists of a delegation to Chungking. Following General Marshall's arrival, however, optimism in the prospects of a compromise grew.

On December 18, 1945, the Communists indicated that they would give top priority to negotiations for an immediate cease-fire in the civil war, reversing their previous stand that a political settlement was necessary before a military settlement could be arranged. They indicated a willingness to discuss the problem of reorganization of the Chinese army simultaneously with the discussions on the reorganization of the Government.²⁷

On December 27, 1945, the Communists proposed an unconditional truce agreement that emphasized the following points:²⁸

- (1) Both sides should agree to an immediate cease-fire;
- (2) The problems of civil government should be discussed after the cease-fire;
- (3) Commissions of inquiry should be dispatched to the trouble zones to supervise the truce agreement.

The Nationalist government replied to these cease-fire proposals by suggesting that General Marshall be consulted jointly by a Nationalist

²⁶Impressions gathered from reading the New York Times, December 15, 1945, to December 31, 1945.

²⁷Tillman Durdin, "New China Charges Precede Parleys," New York Times, December 19, 1945, p. 2.

²⁸Tillman Durdin, "China Truce Talks are Resumed; Reds put New Offer in Writing," New York Times, December 28, 1945, p. 1.

and a Communist plenipotentiary, and that he act as a "referee" on all problems relating to the cessation of hostilities and the restoration of railway communications, and that military inspection teams tour the areas of conflict to report all incidents.²⁹

The Communists accepted those proposals, but they expressed concern over the Nationalist invasion of Communist-controlled Jehol province, which they denounced as being part of the Nationalist plan to reduce all of China to its control.³⁰

The Communists appointed Chou En-lai, while the Nationalist government appointed General Chiang Chun to meet with General Marshall. This Committee of Three held its first meeting on January 7, 1946.

General Marshall reported that the two rival parties were highly suspicious and distrustful of one another. The National government considered the Communists as tools of the Soviet Union, and blamed the USSR for impeding the Nationalist re-occupation of Manchuria. The Communists feared that the objective of the Kuomintang was to destroy the Communist party. The Nationalists insisted that before the Communist party might participate in the Government, it must dissolve its armed forces, while the Communists felt that without such a realistic safeguard of their political status, they would be marching toward self-destruction.³¹

In accordance with United States policy that Manchuria be restored to Chinese sovereignty, General Marshall, at the outset, told General

²⁹Durdin, "Chungking Reply to Yen-an Agrees to Civil War Truce," New York Times, January 1, 1946, p. 1.

³⁰Durdin, "Marshall Parley with Chinese Near," New York Times, January 5, 1946, p. 5.

³¹China White Paper, p. 136.

Chou En-lai that the United States was committed to assist the Chinese government to recover Manchuria. General Chou indicated that this was consistent with the Sino-Soviet Treaty of August, 1945, and he agreed to allow Nationalist troops to occupy Manchuria.³²

The Committee of Three, on January 10, 1946, agreed upon the terms of a truce, which ordered all field commanders to cease fire, effective midnight, January 13; for mixed field teams to carry out the provisions of the cease-fire order; and for an Executive Headquarters Command to sit at Peiping.

The agreement on the cessation of hostilities required that fighting must cease immediately and that all troop movements, with a few exceptions, be halted. Sabotage of all lines of communications was to cease, and all obstructions were to be removed. Troop movements were authorized south of the Yangtze only in pursuance of an agreement to merge all Chinese forces, while troop movements were authorized in Manchuria for purposes only of restoring Chinese sovereignty in that region. All troop movements, however, were to be reported in detail to the Executive Headquarters.³³

The Executive Headquarters was established pursuant to the "Agreement on Establishment of the Executive Headquarters," signed at Chungking on January 10, 1946. The Headquarters was empowered to implement the truce agreement and to recommend measures to disarm the Japanese forces, to restore the lines of communication, and to evacuate the Japanese garrisons to the coast for repatriation. Its orders were to be issued

³²Ibid., p. 137.

³³Press Release on Order for Cessation of Hostilities, January 10, 1946. China White Paper, pp. 609-610.

in the name of the President of the Republic of China.³⁴

Like the higher Committee of Three, the Executive Headquarters consisted of three commissioners—a Nationalist, a Communist, and an American, who was to act as chairman.³⁵ All resolutions of the Executive Headquarters required unanimous agreement, failing which, any dispute was to be referred to the Committee of Three.

American participation in the Executive Headquarters was to be purely advisory, to assist the Chinese members to implement the truce agreement.

Subordinate, in turn, to the Executive Headquarters was an operations section that functioned under Colonel Henry A. Byrode of the United States Army. The operations section was instructed to enforce the cease-fire order in the field.³⁶

The field teams functioned under the operations section, and also consisted of three representatives--Nationalist, Communist, and an American referee. Unanimity was required on the field level as well. These teams were dispatched to areas where violence or threats of violence might exist, and they were to find a way to check all fighting.³⁷

The mandatory provision for unanimous agreement among the members of the Executive Headquarters and the field teams, at times, snarled the activities of these agencies. The American representatives suggested

³⁴Agreement on Establishment of the Executive Headquarters," signed at Chungking, January 10, 1946. China White Paper, p. 627.

³⁵Mr. Walter S. Robertson was nominated to fill the American position.

³⁶Agreement on Establishment of the Executive Headquarters. China White Paper, p. 627.

³⁷Memorandum on the Operations of the Executive Headquarters. China White Paper, p. 630.

that the unanimity rule be set aside, but the Communists refused to agree since they were likely to be opposed by the American referee in most cases. The Communists and the Nationalists could block all investigation by simply refusing to agree to authorize the teams to investigate.³⁸

Protracted debate in the Executive Headquarters also hampered operations considerably. It was apparent that both of the protagonists were pressing for advantages instead of seeking a realistic basis for compromise.³⁹ The Nationalist regime was unwilling to compromise in a way that would give the Communists a position of equality in the government or allow them to govern any territory. The Communists, on the other hand, were unwilling to compromise their military strength to the extent that they might be easily exterminated. They were more conciliatory, however, since they were not militarily as strong as the Nationalists, and were willing to participate in a government which they felt they might eventually dominate by placing their party members in key positions. Chiang Kai-shek was undoubtedly aware of the tactics of the Communists since he himself was Moscow-trained, which contributed to his intransigence.

United States officials made every effort to insure impartiality on the part of the American referees, but there were repeated charges from the Communists, in particular, that the Americans were showing partiality to the Kuomintang by rendering it material assistance and strengthening its bargaining power to a point where it could dispense with further negotiations and seek a unilateral solution by force. It

³⁸Ibid.

³⁹Ibid.

was felt by the Americans that this criticism of the United States by the Communist press and radio was directed chiefly against United States material assistance to the National government, rather than against any a priori bias among the American mediators.⁴⁰

The only accomplishment of the Executive Headquarters was the repatriation of the Japanese. The restoration of communications and the reorganization of the army were so delicately related to the central political question under discussion that these problems were never resolved.⁴¹

The Dilemma of Political Tutelage.

According to Sun Yat-sen the Chinese people were to be subjected to a prolonged period of political tutelage once national unity and sovereignty had been restored in China through the efforts of the Kuomintang. The Kuomintang had been created by Dr. Sun, not as the organization of a particular class, pressure group, or alliance between particular categories of the Chinese people, but rather, as the union of all patriotic Chinese organizations that were struggling for national unity and independence. Since conservatives, liberals and radicals were all to be included in the Kuomintang in representative strength, the Kuomintang was to act as a provisional government of the Chinese people until national unity and independence had been attained and until the people had been enlightened and instructed in the mechanism of representative democracy. Political tutelage, or the dictatorship of the Kuomintang, was formally enshrined in 1931 by the

⁴⁰Ibid.

⁴¹China White Paper, p. 629.

Provisional Constitution of the Republic of China. Instead of being a democratic tutelage, however, the dictatorship of the Kuomintang became a bureaucracy in the service of the Chinese oligarchy, which was composed primarily of the landed gentry and of urban speculators.⁴² It ceased to live up to its name in 1927, when Chiang Kai-shek solicited the exclusive support of the oligarchy for himself and his army—a bond that was sealed by his marriage to a scion of the moneyed gentry. Despite the retention by Chiang and the mercenary politicians of claims to the title of National Peoples' Party and direct lineage to Sun Yat-sen, which Sun's widow has repudiated consistently since 1927, the Kuomintang and all the verbiage of constitutionalism and democracy which the Kuomintang produced under Chiang's leadership was a front to conceal the unenlightened dictatorship that the military and civil bureaucracies enforced on behalf of the Chinese oligarchy.

The culmination of this pseudo-constitutionalism came in 1936 when a "draft constitution" was published by the Kuomintang on May 5, and an "election" of a national assembly to approve it was scheduled to take place in November of the same year. Instead of an election, delegates were selected by the central, regional, and local organs of the Kuomintang to act as representatives of the Chinese people in approving an instrument of government that the ruling elite had drawn up to grace its exercise of sovereignty with the fiction of democratic consensus. A small number of seats in the so-called constituent assembly were allocated to the "minor parties" which had accepted the

⁴²A class of Chinese capitalists cannot be said to have existed, since most of the Chinese moneyed groups did not invest their wealth in industrial capital, but speculated in commodities and real estate, to the detriment of the consuming populace.

Kuomintang's claim to exclusive leadership. The Communists were not included, and their assertion to represent the peasant and proletarian classes was dismissed along with their claim of the right to exist and proselytize among the Chinese populace. The outbreak of hostilities against Japan and the loss of territory to the Japanese prevented Chiang from staging his constitutional show until 1946.⁴³

In line with the United Nations' declarations of war aims, the Central Executive Committee of the Kuomintang decided in 1943 that a National Assembly should be convened within one year after the conclusion of the war to consider the draft constitution. To prepare for the selection of this National Assembly, Chiang Kai-shek appointed a committee of fifty-three members, consisting of forty-nine Nationalists, two Communists, one Chinese Youth Party delegate, and one National Socialist.⁴⁴

Encouraged by General Hurley, the Communists and the Nationalists discussed steps that should be taken to establish a democratic constitution. In February, 1945, the Kuomintang proposed that representatives of the Kuomintang, the other patriotic political parties, and nonpartisan leaders meet together in a consultative conference, in order to plan the political and legal forms of transition from Kuomintang political tutelage to constitutional democracy. This conference was to formulate, in addition, a set of principles and policies for eventual legislative adoption, to recommend a plan to unite the Nationalist and Communist armies into a National army and a method to

⁴³Ch'ien Tuan-sheng, The Government and Politics of China (Cambridge, 1950), pp. 109-163.

⁴⁴Lawrence K. Rosinger, China's Wartime Politics 1937-1944 (Princeton, 1944), p. 56.

coalesce these parties into a responsible unitary system of government.⁴⁵

Chiang Kai-shek announced that this conference would meet in November, 1945, but the Communist party balked at appointing a delegation until December 1, 1945, when word reached them that General Marshall was coming to China to act as mediator.

As a result, the Generalissimo announced on December 31 that the Political Consultative Conference would be convened on January 10, 1946, and would remain in session until January 31, 1946.

This conference included eight delegates from the Kuomintang, seven from the Communist party, nine from the Democratic League,⁴⁶ five from the Youth Party, and nine independents, a total of thirty-eight. Chiang Kai-shek assumed the role of chairman, and General Marshall was present merely as a guest at the initial meeting.⁴⁷

The Generalissimo exerted predominate influence in the Political Consultative Conference, for the Youth Party and the independents supported him, while the Democratic League attempted to play the role of middleman between the Nationalists and the Communists. The League had no military force to back up its proposals, so it exploited the strong public sentiment in favor of "peace, unity, and democratic government," to press its demands for constitutional freedom and representative

⁴⁵Feis, op. cit., p. 222.

⁴⁶The Democratic League included the Third Party, National Salvation Association, National Socialist Party, Democratic Constitutionalist Party, Vocational Educational Group, Rural Reconstruction Group, and individual members. The Youth Party, an extreme right-wing party, broke from the Democratic League during the Political Consultative Conference.

⁴⁷Ch'ien, op. cit., p. 375.

government. Since this idealism threatened the military hegemony of the Kuomintang and the privileged status of the oligarchy that the latter represented, the Democratic League incurred the hatred of Chiang. By the time the conference was mid-way in its session, the Communists had wooed the Democratic League to their side on many issues.⁴⁸

The Political Consultative Conference⁴⁹ was purely exploratory and did not have any authority to implement its suggestions. The Conferees discussed all the basic problems facing China, and adopted five major resolutions, which were presented to each political party for approval. The resolutions dealt with: (1) revision of the 1936 Draft Constitution; (2) reorganization of the Nationalist government; (3) convening of a national assembly; (4) military reorganization; and (5) peaceful national reconstruction.

The first resolution provided that a committee to review the Draft Constitution should be formed of twenty-five members, five members from each of the five groups represented at the P.C.C. The committee was established and given the responsibility of drawing up a comprehensive revision of the 1936 Draft Constitution, in line with the principles recommended by the P.C.C., to be presented to the national assembly for adoption.⁵⁰

Some of the basic principles the committee adopted were: constitutional provision for the exercise of the right of election, initiative,

⁴⁸Ibid., pp. 377-378.

⁴⁹Hereafter referred to as the P.C.C.

⁵⁰Resolution on the Draft Constitution adopted by the Political Consultative Conference, January, 1946. China White Paper, p. 619.

referendum and recall; the president to be elected indirectly by the voters through an electoral college; and the provincial governor to be elected by the people. In addition to the president, the central government was to consist of five yuans or councils: a legislative yuan, which would be the supreme law-making body; a control yuan, which would exercise the functions of giving consent to a number of appointments of the President of the Republic, and impeachment; a judicial yuan; an examination yuan, which would administer the civil service; and an executive yuan, which would be the executive cabinet of the government. The chairman of the executive yuan was to be appointed by the President, with the consent of the legislative yuan.⁵¹

Pending the convocation of the National Assembly, it was recommended by the P.C.C. that the Kuomintang revise the 1931 Organic Law of the National government by expanding the State Council. A membership of forty was visualized as a proper size for the Council, with one-half of the Councillors representing the Kuomintang and the other half the other recognized political parties and independent groups. The Councillors were to be appointed by the president of the National government, upon nomination by their respective organizations. The State Council was to act provisionally as the supreme organ of government in national affairs, with competence over legislation, administration, military affairs, finances and budgetary measures. Should the president of the National government oppose the decisions of the State Council, he might refer them back to the Council, which was authorized, upon the decision of three-fifths of its members, to override the president's objections.⁵²

⁵¹ibid.

⁵²Resolution on Government Organization, adopted by the P.C.C., January, 1946. China White Paper, p. 610.

The P.C.C. declared that the armed forces had the duty of protecting the nation and the state, and should be separated from any control by the political parties. Political parties were not to engage in attempts to influence the army, and military officers were not to hold other governmental positions. Civilian control of the army was to be obtained through a minister of national defense responsible to the Executive Yuan.⁵³

The suggestion on reorganizing the army provided that National government troops (Kuomintang) should be reorganized into ninety divisions within a six-month period, while the Communist armies were to be reorganized on the same organizational principles to facilitate integration, but the number of divisions was not specified, probably because of the lack of information regarding the size of the Communist armies. Once this was accomplished, the two armies were to be merged into one national army of fifty or sixty divisions.⁵⁴

The program for Peaceful National Reconstruction defined Sun Yat-sen's Three Peoples' Principles or San Min Chu I as the "highest guiding principles for national reconstruction" and invited the nation to unite under the guidance of President Chiang Kai-shek. It recognized that democratic policies, a unified army, and legal equality for all political parties were prerequisites for peaceful national reconstruction.⁵⁵

⁵³Resolution on Military Problems, adopted by the P.C.C., January, 1946. China White Paper, p. 619.

⁵⁴Ibid.

⁵⁵Resolution on Program for Peaceful National Reconstruction, adopted by the P.C.C., January, 1946. China White Paper, p. 612.

Military Reorganization.

The Nationalist government, on January 10, 1946, suggested that a three-man military subcommittee meet to discuss a plan to integrate the party armies into one National army.⁵⁶ This was one of the most controversial problems to be resolved, along with that of political representation in the government.

The Kuomintang insisted that military unification be accomplished in advance of the question of representation, which was tantamount to a demand that the Communists surrender unconditionally. The Communists insisted that a political agreement precede any measure that would dismantle their military apparatus, since they had only this to defend themselves from annihilation at the hands of the Nationalists.

The military subcommittee consisted of General Chang Chih-chung, the National government representative, General Chou En-lai, the Chinese Communist representative, and General Marshall. The first meeting of the subcommittee was held on February 14, 1946. On February 25, it reached agreement on the basic principles of military reorganization and integration of the Communist forces into a national army.⁵⁷

The agreement provided that the Government army should be reduced to ninety divisions within a twelve-month period, while the Communists, within the same period, should reduce their army to eighteen divisions. Within an additional six months the Government divisions were to be reduced to a total of fifty and the Communist divisions to ten. This would leave a total of sixty divisions for a national army. The ratio between the Communist and Kuomintang armies was one to five, which was

⁵⁶China White Paper, p. 140.

⁵⁷Ibid.

the relative numerical strength of the two armies at the outset of negotiations. The sixty divisions were to be organized into twenty army commands.⁵⁸

China was to be divided into five general areas to facilitate integration and deployment. The Communist divisions were to be concentrated in the northern, northwestern, and Manchurian areas, although in all areas the Kuomintang divisions were to be numerically predominate. General Marshall emphasized throughout the discussions that it was necessary to create a national, non-political military force along western lines. The February, 1946, agreement was supposedly predicated upon this principle, but General Marshall realized that it would take time to wear down mutual suspicions and fears before complete integration could be accomplished.⁵⁹

The February agreement provided that within three weeks the Government and the Communist party would submit to the Executive Headquarters a list of existing divisions, those to be demobilized, and those to be maintained. The Government, on March 26, submitted such a document, but the Communists never complied.⁶⁰

The Executive Headquarters was given competence to implement the military reorganization agreement. However, it did not possess coercive power to enforce its decisions, and relied entirely upon the "good faith" of the two rival parties.

Negotiation of the military reorganization agreement was the third major step towards fulfillment of General Marshall's mission. Although

⁵⁸Ibid., p. 141.

⁵⁹Ibid., pp. 141-142.

⁶⁰Ibid.

these agreements might be considered achievements, the basic problem of reciprocal Kuomintang-Communist distrust and fear, and mutual intransigence against sharing political power in China remained. The Kuomintang Central Executive Committee announced, at the end of its session on March 17, 1946, that it had accepted the P.C.C. resolutions in toto, despite evidence that extremists⁶¹ within the Kuomintang were endeavoring to sabotage the P.C.C. program from fear of losing their vested position in the regime. The Communist party never actually communicated its formal acceptance of the P.C.C. resolutions. A Central Committee meeting originally planned to ratify them was postponed.⁶²

After the February, 1946, military reorganization agreement had been concluded, General Marshall requested that he be allowed to report to the President on the general situation in China. He sought also to discuss the transfer of surplus materials and merchant shipping to China, and he wanted to obtain financial and economic aid for China. General Marshall was optimistic on the possibilities of unifying China peacefully at this point, and he believed that it would facilitate the completion of his mission if he could secure an American promise to strengthen a united China through economic assistance.⁶³

⁶¹The extremist elements included the "CC" clique and the Army group. The "CC" Clique was led by two brothers (Ch'en Li-fu and Ch'en Kuo-fu) who desired to combine Confucianism with western technology in China. They dominated the right wing of the Kuomintang with the Army Group, which consisted of Whampoa Military Academy graduates who had achieved dominant military positions. Ch'ien, op. cit., p. 129.

⁶²China White Paper, p. 144.

⁶³Ibid., p. 145.

President Truman approved General Marshall's request and recalled him for consultation, whereupon General Marshall left China on March 11, 1946.

The Manchurian Crisis.

The United States felt that Manchuria should be restored as quickly as possible to the Chinese National government, in view of the various agreements during and after World War II.⁶⁴ General Marshall was instructed to hasten the transfer of Manchuria from Russian occupation to Chinese sovereignty.

Having secured its claim to Manchuria by the Sino-Soviet Treaty of August, 1945, the Chinese National government requested the Soviet Union not to withdraw its forces from Manchuria until February, 1946, when Chiang Kai-shek hoped to be able to move his troops into that region.

The United States agreed to supply Chiang Kai-shek transportation in moving his troops into Manchuria. The matter, however, was complicated by the USSR's delay in withdrawing Russian troops by the date that had been fixed. Chiang Kai-shek grew suspicious that the Soviet Union was preparing the Chinese Communists to seize control of Manchuria simultaneously to the Russian withdrawal, for when Chiang Kai-shek's forces moved into the areas evacuated by the Russians, they invariably found the Communists already in occupation and prepared to resist any attempt to displace them. Not only were the Communists in occupation of the towns, but they possessed many Japanese arms. The Russians had

⁶⁴Cairo Declaration, Yalta Agreement, Potsdam Declaration, and the Sino-Soviet Treaty of August, 1945.

either supplied these arms to them, or had failed to prevent them from gaining possession of the captured Japanese arms and ammunition stores—which amounted to open collusion, and violated the terms of the Sino-Soviet Alliance.

Chiang Kai-shek became alarmed at this point and attempted to occupy Manchuria forcibly, upon the contention that the cease-fire agreement of January 10, did not apply to Manchuria. The agreement had not exempted any areas from the truce, yet it had condoned Nationalist troop movements into Manchuria.⁶⁵ The Generalissimo interpreted this provision to mean that the Cessation of Hostilities Agreement did not apply to Manchuria. General Marshall, on the other hand, was of the opinion that it did apply to Manchuria.⁶⁶

When fighting broke out in Yingkow, a port in southern Manchuria, General Marshall proposed that the Executive Headquarters dispatch a field team there to carry out the provisions of the Cessation of Hostilities Agreement.⁶⁷ Chiang Kai-shek refused to agree to this proposal, while the Communists willingly agreed. Since unanimous consent was required for all Committee decisions, the field teams were not sent.

In the latter part of February, 1946, General Marshall again insisted that field teams be sent to Manchuria to prevent any fighting,

⁶⁵The Press Release on the Order for Cessation of Hostilities, January 10, 1946, announced that the following stipulation was agreed upon and made a matter of record: "Paragraph b, Cessation of Hostilities Order does not prejudice military movements of forces of the National Army into or within Manchuria which are for the purpose of restoring Chinese sovereignty." China White Paper, p. 610.

⁶⁶Letter, General Marshall to General Chiang Chun and General Chou En-lai, January 24, 1946. China White Paper, p. 639.

⁶⁷Ibid.

and to establish a basis for demobilization and integration of the armies. The Generalissimo was warned that delay would only aggravate matters. Chiang remained adamant, however, that no interference in Nationalist recovery of Manchuria must be allowed.

After further discussion and persuasion, the Generalissimo finally consented on March 11, 1946, to permit field teams to be sent to Manchuria. However, it was March 27, before an agreement was reached on a directive for the Manchurian teams.⁶⁸

Tension was not confined entirely to Manchuria, for the Communists had failed to comply fully with the provisions of the military reorganization agreement, and the Kuomintang had openly violated the Cessation of Hostilities Agreement when the commander of the Canton garrison refused to recognize the authority of the Executive Headquarters. Even more unpardonable, the Supreme Headquarters of the National army had failed to report all Nationalist troop movements to the Executive Headquarters. There had been numerous minor violations by the subordinate commanders on both sides.

These circumstances kept suspicions and fears alive on both sides. The Communists continued to extend their area of control in Manchuria as the Russians evacuated, while the latter refused to permit National government troops to use the port of Dairen as a port of entry. This forced the Nationalists to transport their forces by rail into Manchuria, and exposed them to harassment and sabotage of their extended lines of communication.

Despite the fact that the Generalissimo had authorized the field

⁶⁸Instructions from Committee of Three to the Executive Headquarters, March 27, 1946. China White Paper, p. 640.

teams to enter Manchuria, his commanding general there refused to permit them to function. When they were finally permitted to function, the Government representatives refused to participate, on the ground that they had no coercive authority.

The American position was also embarrassed by Communist propaganda, which denounced as premeditated bad faith United States assistance to Chiang in transporting Nationalist troops into Manchuria. On March 31, 1946, the Communist protested that further Nationalist troop transfers would violate the terms of the military reorganization agreement, which provided that Government troops in Manchuria must not exceed fourteen divisions. The Communists had not abided by this agreement in its entirety, since they had not submitted plans for the demobilization of the Communist army, as agreed to in the military reorganization agreement. But when its provisions supported their cause, they insisted upon strict enforcement. On this occasion, it was pointed out to the Communists by the American representative⁶⁹ that the troop limitations did not become effective until the end of twelve months, and that these troop movements had been authorized by the Cessation of Hostilities Agreement of January 10, 1946.⁷⁰

General Marshall's hope to bring about a political settlement in China was weakened by the Manchurian fighting. The military extremists in the Kuomintang found evidence to support their suspicion that the Soviet Union was aiding the Communists of China, whereupon they demanded

⁶⁹Probably Walter S. Robertson, the American representative in the Executive Headquarters. General Marshall was in the United States at the time.

⁷⁰Basis for Military Reorganization and for the Integration of the Communists Forces into the National Army, Appendix B. See also footnote 65, Chapter III.

that Chiang terminate all negotiations and unite China by military force.

On April 15, 1946, in open violation of the Cessation of Hostilities Agreement, the Communists attacked and captured Changchun from a small corps of local defenders that was loyal to Chiang, and which had re-claimed the city upon the withdrawal of the Soviet forces. This victory gave them confidence, and made them less amenable to a diplomatic compromise and increasingly insistent that they be given full control over a vast portion of Manchuria. The Kuomintang extremists, on the other hand, used this as evidence that the Communists would not respect any agreement.

General Marshall returned on April 18, 1946, to find the impasse between the two rival forces nearly complete; the Communists were willing to continue further negotiations only if all fighting were stopped. The Generalissimo would not accept the Communists' insistence on strict truce enforcement, since this would have deprived him of authority to move his troops anywhere in Manchuria for the purpose of assuming sovereignty over the area. The Generalissimo refused to discuss political questions until Nationalist sovereignty had been established over Manchuria--including the Chinese Eastern and South Manchurian railways.

The Nationalist government was actually powerless militarily, according to General Marshall, to impose its sovereignty over Manchuria, because of Communist opposition. This was emphasized to the Generalissimo in discussions during which General Marshall encouraged him to make a compromise proposal. Finally the Generalissimo suggested that if the Communists evacuated Changchun in favor of the Nationalist

government, negotiation of the military reorganization and the question of a democratic State would be resumed.⁷¹

Strengthened by their victory at Changchun and reinforced with Japanese military stores, the Communists were in no mood to capitulate to Chiang's offer, which they interpreted as indicative of Nationalist military weakness resulting from the unguarded and overextended supply and communication lines. In order to put pressure upon Chiang to accept the status quo in Manchuria, Chou En-lai tried again to influence General Marshall to withdraw United States logistical and technical support from the Government armies.

General Marshall's appraisal of the prospects for peace, at this time, was discouraging, for the Communists were entrenched in a solid position in Manchuria, while the Government forces were insistent upon militarily driving them out. In his discussion with the Government representatives, General Marshall apparently placed the blame at their feet. He enumerated various Nationalist activities that supported the Communist contention that Chiang's government was opposed to the Truce agreement and any form of compromise:⁷²

- (1) The Generalissimo's refusal for a long time to permit the field teams to operate in Manchuria.
- (2) Government troops moving into Manchuria aimed to destroy the Chinese Communist forces in the hinterland.
- (3) North of Hankow Communist troops were surrounded by Government forces.
- (4) Troop movements into Chihfeng, Jehol province were ordered by the National government.
- (5) Refusal by the Canton Commander to recognize the existence of Communist troops in Kwangtung province.

⁷¹China White Paper, p. 150.

⁷²Ibid., p. 151.

(6) Failure by the Nationalist government to submit daily reports of its troop

These and other actions were characterized by General Marshall as "stupid actions of no benefit to the National government, which not only served as ammunition to the Chinese Communists, but, what was far more serious, stimulated their suspicion of Government intentions." He noted that the Communist forces in Manchuria were becoming stronger daily, which endangered the overextended Nationalist lines of communication.

The Communists demanded a different ratio of military strength in Manchuria to reflect the status quo, instead of one Communist division to fourteen Government divisions. They also protested the movement of additional Government troops into Manchuria.

General Marshall indicated to Chou En-lai that he believed a great deal of the "fundamental difference" between the Communists and the Kuomintang was over the sovereignty of Manchuria. He pointed out that sovereignty implied control, and if the Government was to have control of Manchuria, it must occupy Changchun. General Marshall went on to tell General Chou that the Generalissimo had agreed to negotiate the division of administrative rights in Manchuria, if the Communists would withdraw from Changchun. General Marshall added that in view of these circumstances he felt the situation had "virtually passed out of his hands" and that he was compelled to withdraw from the mediation.

Though General Marshall ended his formal mediation, he continued to confer separately and to act as a channel for communication. The Executive Headquarters had not been able to operate effectively because the Communists had often refused to participate in the functions of the field teams, while the Nationalists would not agree to anything until the Communists had evacuated Changchun.

Arrangement for a Truce.

After further discussion General Marshall recommended a compromise solution to Chiang Kai-shek which included the evacuation of Changchun by the Communists and the establishment there of a subcommittee of the Executive Headquarters to supervise the truce. The Government forces would be permitted to occupy Changchun within a period of six months.

General Marshall expressed his belief that the Government's prestige would not be damaged, and that it would appear that Chiang was willing to compromise to obtain peace. He reiterated that the Communists in Manchuria enjoyed strategic advantage over the Government forces, and that unless a compromise was worked out, the Nationalist position would deteriorate militarily and politically.

General Marshall approached Chou En-lai with the same proposal, which was transmitted to Yen-an for approval. General Marshall impressed upon General Chou that unless a compromise was reached soon to justify the continuation of negotiations, he would not pursue formal mediation.

The Communists expressed grave concern over the possibility that the Generalissimo, once in control of Changchun, might insist on Communist evacuation of other cities, such as Harbin. The Communists also insisted that they be authorized to maintain five divisions in Manchuria, instead of one, as stipulated by the Military Reorganization Agreement, which they had previously signed.

The Generalissimo and General Marshall continued to discuss General Marshall's proposal until May 22, 1946, when the Generalissimo notified General Marshall that he feared the Nationalist Commander in Manchuria was preparing to attack Communist-held Changchun without authorization, and that under these circumstances he must fly to Mukden to forestall

a complete rupture in the truce agreement.⁷³ General Marshall advised Chiang emphatically to block all projected hostilities against the Communists.⁷⁴

After Chiang reached Mukden, Changchun was attacked by Government forces, and was evacuated by the Communists after little resistance. General Marshall was compromised very seriously by this Nationalist break, for it appeared that the Generalissimo had gone to Mukden to direct the attack and General Marshall was his accomplice, since he had loaned the Generalissimo his personal airplane to fly to Mukden.

General Marshall was irate at the Nationalists for this serious breach, and he insisted to Chiang that the Government offensive be halted immediately. This demand was ignored, and Government troops advanced toward Harbin and Kirin.

Just prior to his departure for Mukden, Chiang had given General Marshall a three-point offer to be conveyed to the Communists:⁷⁵

(1) The Communists must permit the restoration of communication lines into Manchuria; (2) any agreement on Manchuria must be carried out within a specified time; (3) the American mediators on all mixed commissions were to have power to arbitrate in case of disagreement.

General Marshall handed this communication to General Chou, and asked him whether the Communists would renounce Changchun if the Nationalists would halt their drive on Harbin and Kirin. General Chou agreed to

⁷³Evidence was not available to show the veracity of Chiang's statement to General Marshall, nor the actual control Chiang had over his military commanders.

⁷⁴To expedite the Generalissimo's trip to Mukden, General Marshall loaned him his airplane.

⁷⁵China White Paper, p. 154.

accept the loss of Changchun on those terms, and indicated that the matter of Nationalist communications into Manchuria would be discussed with the Government representatives, and that he had no objections to setting a time limit on reaching these objectives. He rejected Chiang's demand to permit the American representative to arbitrate on the field teams and the other mixed commissions.

At this point, May, 1946, the military situation was just the reverse of that during the period of the Communist invasion of Changchun, and whereas previously the Communists had violated the truce agreement, it was the Kuomintang that was violating it at this point. Optimistically, Nationalist leaders expressed their belief that the occupation of Changchun had made an arbitrary solution by force expedient, which seemed to preclude further negotiations and the utility of an American mediation.

The Generalissimo's attitude was reflected in a communication which he addressed to General Marshall from Mukden on May 24, 1946. Chiang demanded, in brief, that the Communists agree to:⁷⁶

- (1) Prompt execution of the Cessation of Hostilities Order of January 10 which specifically related to the freedom of action for the Government in taking over the sovereignty of Manchuria.
- (2) Prompt execution of the Military Reorganization Agreement of February 25.⁷⁷
- (3) Restore communications in north China.
- (4) Give the American representatives power to arbitrate on all mixed commissions.

Chiang did not indicate any willingness to stop his armies or to accept General Marshall's suggestion that a mixed commission be set up

⁷⁶Ibid., p. 156.

at Changchun. Yet he sought a guarantee that the United States would "enforce" all agreements. General Marshall was unable to make "guarantees" to commit United States forces to intervene in China's civil war, since his mission was to "mediate" a peaceful settlement of that conflict. General Marshall again beseeched Chiang to reconsider his unilateral repudiation of the truce before negotiations broke down completely, but Chiang Kai-shek did not even reply to this message.

The Generalissimo returned to Nanking on June 3, 1946, and convinced General Marshall that an error in translation had caused the failure to establish a mixed commission to supervise the enforcement of the truce in Changchun, and that now that Changchun was in Nationalist hands, a mixed commission should be set up to preserve peace there. In return for General Marshall's apparent satisfaction at this explanation, Chiang ordered his armies "to cease advances, attacks or pursuits" for a period of ten days to give the Communists an "opportunity" to show their sincerity by completing negotiations with the National government during that period on the following points:⁷⁸

- (1) Detailed arrangements to govern a complete termination of the hostilities in Manchuria;
- (2) Definite detailed arrangements, with time limits, for the complete resumption of communications in north China;
- (3) A basis for carrying out without further delay, the agreement for military reorganization of February 25.

The Generalissimo warned General Marshall that this would be his "final effort to do business with the Communists."

General Chou En-lai received Chiang's ultimatum from Marshall and

⁷⁷See Appendix B.

⁷⁸Ibid., p. 158.

protested that ten days was plainly insufficient, since he had to fly to Yenai to confer with the Communist leadership to receive authorization to sign such a modus operandi. After further communications were relayed through General Marshall, Communists and Nationalists agreed to a fifteen day truce, commencing at 12:00 noon, June 7, 1946.

Negotiations During the Truce.

Intense suspicion, hatred and fear hampered the negotiations at the outset of the truce, particularly after the Communists launched an offensive in Shantung province that aroused Nationalist bitterness and intransigence. Communist propaganda against the United States, which alleged that General Marshall had sanctioned Nationalist military action, made mediation a difficult task.

At length, an agreement was reached that provided for the restoration of communications through north China, and little trouble was anticipated in reaching agreement on a truce in Manchuria. The principal causes for the impasse were the terms for military demobilization, reorganization, and redistribution of troops, especially in Manchuria and Shantung.⁷⁹

The Generalissimo stipulated that: (1) the Communists must evacuate their forces from the provinces of Jehol and Chshar before September 1, 1946; (2) Government troops must be permitted to occupy Chefoo and Weihaiwei in Shantung province; (3) the Nationalist government must be allowed to reinforce Tsingtao and Tientsin with one army⁸⁰ in each area to permit the withdrawal of United States marines; (4) the

⁷⁹Ibid., p. 160.

⁸⁰Three divisions.

Communists must evacuate all of Shantung province, which they had overrun after June 7, 1946; (5) Government troops must be permitted to occupy all the major centers in Manchuria still held by the Communists, particularly Harbin, Antung, Tunghwa, Mutankiang, and Paicheng.⁸¹

General Chou, criticized these demands as being an ultimatum to surrender unconditionally upon threat of renewing the civil war. They were unrealistic, in view of the fact that the Communists were in firm control of much of north China.⁸²

An impasse was reached, and it appeared that hostilities would ensue, whereupon, at the insistence of General Marshall, the Generalissimo agreed to extend the truce until June 30. In return, Chiang Kai-shek added two more demands: (1) the Communists must agree to withdraw from the Tsianan-Tsingtao railway before August 1, 1946, and agree by June 30, 1946, to authorize the American mediators on all mixed commissions to arbitrate each dispute.⁸³

Negotiations continued until June 30, 1946, through formal meetings of the Committee of Three, in which General Marshall acted as mediator. The Communists accepted the proposal to authorize the American mediator to arbitrate disputes in the Committee of Three and in the Executive Headquarters. General Marshall, however, refused to approve this change of procedure that would have transformed friendly mediation into arbitrary imposition of United States will in a domestic problem of a sovereign and friendly power. Not only did his instructions clearly

⁸¹China White Paper, p. 160.

⁸²Ibid., p. 161.

⁸³Ibid.

limit his role to mediation, but, in his opinion, the United States government was not authorized to assume such a responsibility.

On June 26, the Committee of Three reached an understanding on the terms to end hostilities in Manchuria, which provided that the Cessation of Hostilities Order of January 10, 1946, be enforced unless modified by the Committee of Three. It stipulated that the opposing armies be re-grouped territorially, as of the status quo of noon June 7, 1946. No further transfers of Government troops to Manchuria were to be made in unit strength, although individual replacements might be allowed.⁸⁴

The matter of troop dispositions was complicated by the fact that very little demobilization had been completed in north China. The National government demobilized units in south and west China that were not in full strength. There was no record of any demobilization carried on by the Communists, since they had failed to supply a list of military units to be demobilized and units to be retained, to the Executive Headquarters, as provided for in the military reorganization agreement of February.

General Chou En-lai proposed on June 21, 1946, that the Committee of Three should, in brief:⁸⁵

- (1) End all fighting throughout China;
- (2) Restore communications throughout China;
- (3) Map out a plan of reorganization and demobilization of the armies in all China;
- (4) Reorganize the central government in a way so as to secure protection of the people's rights and a solution to the people's livelihood; and reorganize the local governments to include provision for elections.

⁸⁴The Committee of Three to the Three Commissioners of the Executive Headquarters, June 26, 1946. China White Paper, p. 644.

⁸⁵China White Paper, p. 163.

General Chou emphasized that the Communists required tangible assurances that the political reorganization would be worked out satisfactorily before they could agree to military demobilization or integration with the Nationalists.

General Marshall pointed out to General Chou that his proposals would only complicate matters, and advised him to agree to the redistribution and demobilization of Communist troops in north China.

General Chou was reluctant to consider the displacement of Communist forces in central and northern China, since these areas were firmly held by the Communists and served as their principal base of operations. Yet it was one of Chiang's conditions if negotiations were to be continued, and Chou was forced to accede in principle.

As a compromise, the Government agreed at this time to allow the Communists to increase their forces in Manchuria from one division to three, providing the Government forces were increased from fourteen to fifteen divisions.

General Chou objected to the Nationalist government's insistence that all local administrations correspond politically to the occupying forces, on grounds that it subordinated civilian life to the military, and ignored the "democratic right" of the people to govern themselves locally.

General Chou also objected to the movement of Government armies into Communist-held territories, which would have displaced Communist influence in areas under their control. He felt that this was incompatible with the P.C.C. resolutions and with the existing general agreements. The Communists, he said, were willing to withdraw from some areas in order to allay the Government's fear of a Communist threat, but he emphasized that such areas must be left ungarrisoned, and under the

pre-existing civil administrations. General Chou noted that Jehol and Shantung were largely under Communist control, and that the Government forces should evacuate these provinces instead of the Communists.

Generalissimo Chiang insisted that a political settlement was contingent upon a military reorganization that would eliminate the rival armies and end the threat of civil warfare, and that as a preliminary measure, the Communists must withdraw from Kiangsu and Antung provinces, the Tsinan-Tsingtao railway, Chengte and Kupeikou, and Harbin within ten days, to permit government troops to occupy these areas within one month.

As a quid pro quo, Generalissimo Chiang offered to allow Communist civil officials to administer Hsin Heilungchiang, Hsingan and Nenchiang provinces in Manchuria, and Chahar province in north China temporarily pending the agreement on the political reorganization.

The Communists refused to accept Chiang's offer entirely. They were prepared to renounce Harbin, but not the control of the Tsinan-Tsingtao railway, and the towns of Chengte and Kupeikou. They agreed to withdraw from a number of territories only upon condition that the Government would not move military forces to garrison these areas. They also insisted that the Communist-sponsored local administrations be allowed to function following the withdrawal of Communist occupation forces.

General Marshall thereupon drafted a proposal to amend the army reorganization agreement of February 25, which, in brief, suggested:⁸⁶

- (1) Specific distribution of Government and Communist troops by definite localities in Manchuria and China proper.

⁸⁶Preliminary Agreement by Chairman of the Committee of Three, (Marshall) June, 1946. China White Paper, p. 645.

- (2) No change in the 5-to-1 ratio for troop strength.
- (3) The previously established period of twelve months for the assignment of troops to specified localities be altered to six months.
- (4) The Executive Headquarters to determine which localities were occupied by the Government and Communist forces in China proper since January 13, 1946, and to evacuate such areas within twenty days unless specifically directed otherwise.
- (5) The Executive Headquarters to determine which localities were occupied by the Government and Communist forces in Manchuria since June 7, 1946, and to evacuate such areas within ten days unless specifically directed otherwise.
- (6) The Communist Party agree to a Nationalist garrison of five thousand troops in Harbin.
- (7) The Communist party to concentrate its troops in specific localities and Government troops not to move into areas vacated in China proper while existing local administrations and the Peace Preservation Corps (Communist militia) preserved local security.

Generalissimo Chiang refused to restrict paragraph five to Manchuria. He was willing to concede the right of the Communist-appointed mayor to head the civil administration of Harbin in exchange for paragraph six. But he flatly rejected paragraph seven. The Peace Preservation Corps might function as local security troops, but Chiang insisted that the Communists evacuate north Kiangsu, Chengte, Jehol, and Antung.

The Generalissimo, like the Communists, was determined to wrest exclusive control over the industrial areas of north China and Manchuria. The Generalissimo demanded, in particular, that the Communists evacuate the coal-mining region of Shantung.

The Communists acceded to General Marshall's proposed draft, but they rejected the Generalissimo's demand that they evacuate northern Kiangsu province administratively as well as militarily.

The major bone of contention that prevented a preliminary agreement was the disposition of the local administrations in those areas from which the Communists were disposed to withdraw their forces. The China White Paper suggests that settlement of this issue would very likely have made possible a compromise solution of the entire controversy between the Nationalists and the Communists.⁸⁷

General Marshall invited the Generalissimo to compromise on the Communist demand that the local peasant administration and peasant militia (Peace Preservation Corps) be left intact, provisionally at least, until a select committee could recommend a permanent arrangement to protect the interests of the villages, consistent with the prerogatives of the central government.

General Marshall bluntly told the Generalissimo that he was disturbed by the statements of many Nationalist military leaders that indicated a marked preference to impose a Carthaginian peace upon the Communists, and that if the temporary truce were permitted to deteriorate, the tense situation would aggravate a renewal of civil conflict.

Chiang ordered his officials to respect the temporary truce and to avoid any incident on June 30, 1946, and along with the Communists, requested General Marshall to continue the mediation.

The Breakdown of the Truce.

The truce, however, disintegrated almost immediately after June 30, as Nationalist leaders continued to state openly their preference for a military showdown. Under these constant threats, the Communists protested to General Marshall that the American policy of support to Chiang was responsible for the breakdown of negotiations,

⁸⁷China White Paper, p. 168.

and that legislation to send Chiang a United States military mission only served to reinforce the Government's policy of using force.⁸⁸

Fighting broke out in July, 1946, in various localities south of Manchuria, and the field teams were unsuccessful in curbing them. Orders issued by the Commissioners of the Executive Headquarters to cease all hostilities were ignored by the Nationalists, who were anxious to press their military advantage over the Communists.

The Communists denounced the "American Military and financial aid" that was being rendered to the Nationalists so violently that General Marshall protested to General Chou En-lai that such accusations made his mediation mission appear to be unappreciated.

The Communists became so angry at the failure by the United States to oppose Chiang's use of military force that they seized and detailed seven American marines in East Hopei for several days. This incident was followed by the ambush of a military convoy escorted by United States marines between Tientsin and Peiping which resulted in death for three marines and in the wounding of twelve others.

Although the Nationalists were encouraged to pursue a policy of extermination against the Communists, many of the extremists in the Kuomintang criticized General Marshall for his continued efforts to restrain them from ending all negotiations and attacking the Communists.

At this point, General Marshall became so concerned over his inability to effect a compromise between the two rival parties that he requested the State Department to appoint an able plenipotentiary to

⁸⁸Actually the purpose of the military advisory group being considered by Congress at that time was to assist in training the new National army envisaged under the Military Reorganization Agreement of February 25.

assist him in the mediation. Dr. J. Leighton Stuart, then serving as President of Yenching University in Peiping, was appointed by the President of the United States on July 11, 1946, and was able to reach Nanking on July 26.

Prior to his arrival in Nanking, the Communists had proposed that an absolute truce be ordered by both sides, so that Nationalist and Communist representatives might meet with Dr. Stuart and seek to resolve the deadlocked question concerning the local administrations that the Communists had set up. General Chou recommended that any agreement must be submitted to the P.C.C. Steering Committee, which represented all the political groups in China, for approval, in accordance with the terms of the P.C.C. resolutions.

Dr. Stuart conferred with the Generalissimo on August 1, and suggested that a special committee be formed of representatives of the Government and the Communist party, with himself as chairman, to negotiate an agreement for the immediate reorganization of the State Council.⁸⁹

General Marshall, in the meantime, described the seriousness of the situation, and pointed out the futility of hostilities, to Chiang. He told the Generalissimo that economic distress and financial instability were so widespread that hostilities would only intensify and encourage the massive popular appeal of Communism. But the Generalissimo was adamant in his opinion that the Communists could be forced by military pressure to submit to his terms unconditionally.

General Marshall was emphatic in his disagreement with the Generalissimo, and pointed out that, although the Communists were

⁸⁹China White Paper, p. 174.

suffering territorial losses, they were not losing any man power, while the Nationalists were only extending their lines of communication and exposing themselves to attrition by guerrilla attacks, at which the Communists were masters. He told Generalissimo Chiang that the Government had lost prestige within China by using aggressive tactics and by ignoring the supreme desire of the Chinese people for an end of all fighting.

President Truman also attempted to influence the Chinese National government through a message of August 10, 1946, in which he expressed his concern over the deteriorating situation in China and expressly, "at the actions of selfish interests of extremist elements, equally in the Kuomintang and the Communist Party." He emphasized that it might be mandatory for the "President to re-define and explain the position of the United States to the American people, unless progress was made toward a peaceful settlement."⁹⁰

General Marshall and Dr. Stuart were hopeful that if an agreement could be worked out to enlarge the representative character of the State Council, that the Generalissimo would change his attitude on the use of military coercion. In preliminary discussions Chiang agreed in principle to the formation of a five-man committee to negotiate a reorganization of the State Council, but he listed five conditions which the Communists would have to accept unconditionally: These were, briefly:⁹¹

⁹⁰Letter, President Truman to President Chiang Kai-shek, August 10, 1946. China White Paper, p. 653. A second message was sent the Generalissimo on August 31, promising economic assistance if the Chinese crisis was settled.

⁹¹China White Paper, p. 175.

- (1) The Communists must withdraw north of the Lunghai-railway in Kiangsu province;
- (2) The Communists must withdraw from the Tsinan-Tsingtao railway in Shantung;
- (3) The Communists must withdraw from Jehol province south of the city of Chengte;
- (4) Communist forces in Manchuria must be limited to Hsin, Heilangchiang, Nenchiang, and Hsungan provinces;
- (5) Communists must withdraw from those positions of Shansi and Shantung provinces which they had occupied after June 7.

The Communists were willing to discuss the reorganization of the State Council, but they refused to accept Chiang's five demands unconditionally, as a price for discussion. The Communists were also troubled over the Generalissimo's omission of the local government issue that had bogged down the truce in June, which seemed to imply that he had refused to accept their point of view.

The Communists insisted that the State Council be prevented from voting amendments to the P.C.C. resolutions, except by an exceptional majority, as they had been adopted. The Generalissimo was willing to concede eight representatives to the Communists and four to the Democratic League. However, fourteen seats were needed to prevent the Kuomintang from amending, unilaterally, the P.C.C. resolutions which all the parties had adopted, and which had formed the basis for all subsequent negotiations.

The Communists also insisted that an immediate cessation of hostilities be ordered, to prevent further inroads by the Nationalists against their territories. Chiang agreed to consider broadening the representation on the State Council, but he would not cease hostilities until the Communists had yielded to his five demands. He told General Marshall that this was a great concession which involved a military risk on the part of the Government, with which General Marshall, however,

refused to agree, for he believed that the Government was threatening its very existence by pressing for a military showdown with the Communists.

By September 3 the rival parties had appointed their representatives to the Committee of Five, but they were unable to meet, since the Communists demanded a cessation of hostilities, while the Government refused to issue a cease-fire order until Chiang's five demands had been met. The Communists were also apprehensive that the Generalissimo might insist that the truce terms be worked out by the State Council, on which the Kuomintang and its affiliated Youth Party held a majority of seats. This would have meant a truce wholly on Kuomintang terms.

The Communists insisted, therefore, that the Committee of Three meet and work out the truce agreement, while the Committee of Five discussed the composition of the State Council. But they insisted that arrangements be concluded by the Committee of Three in advance of an agreement by the Committee of Five. In this manner they would not be placed at the mercy of the Nationalists.

General Marshall took the matter up with the Generalissimo, who conceded that the cease-fire might be handled by the Committee of Three, and he agreed to refer the issue of local government to the State Council after it had been satisfactorily reorganized. The Generalissimo, however, demanded that the Communists agree to send delegates to a national assembly that was to be convened on November 12, 1946. As for his five conditions, these had by then been resolved to Chiang's satisfaction by forceful Nationalist occupation of the areas in question.

The Generalissimo reiterated that he would not participate in the Committee of Three to discuss a cease-fire until the five-man committee had met and reached agreement on the reorganization of the State Council. In other words, the Generalissimo was still using delaying tactics, in

order to free his armies for military offensives against the Communists, to force the latter to accept his terms in place of a compromise. He did not rupture the diplomatic talks completely, because he could not risk the alienation of American good will, which would have threatened his vital flow of supplies and equipment.

The Communists were aware of the Kuomintang's motives in continuing the peace discussions, but they were unable to sever negotiations for fear that the United States would then hold them to blame and use this as an excuse to render all-out assistance to Chiang. They sought to impress the United States that they were peace-loving and willing to compromise, and that the Nationalists were the intransigents, who, instead of receiving United States aid, should be cut off completely from material assistance. When, on August 30, 1946, the United States agreed to transfer much surplus property to the Nationalist government, the Communists protested that this constituted intervention, and that in rendering material support to Chiang, the United States was encouraging the Nationalists to end the peace talks and drag China into civil war.

General Marshall explained that this surplus property was non-combatant materiel, consisting of machinery, motor vehicles, communication equipment, rations, medical supplies, and various other items which would be of considerable value in rehabilitating the Chinese economy. General Marshall explained that the materiel could not be withheld indefinitely, since it would delay the economic recovery of the Chinese people. However, General Marshall was placed in an embarrassing position by the flow of United States military supplies that was being sent to strengthen the Nationalists. In August of 1946, he ordered part of this flow of military equipment to be withheld from the

Nationalists as a means to convince Chiang that the United States was seriously resolved to bring about a negotiated peace.

Chiang apparently did not fear the threat of complete suspension of United States military and economic backing, for he encouraged his armies to penetrate deeply in to Communist-held territory. When the Nationalists were about to attack Kalgan, General Chou warned Chiang's government that a Nationalist seizure of Kalgan by force would be regarded by the Communists as a declaration of civil war.

The Communists declared that unless the Government suspended its attack on Kalgan they would not participate in either the Committee of Three or the five-man committee.

General Marshall made it clear at this juncture that he was very displeased with both Nationalists and Communists for having undermined the negotiations "week after week and month after month." He expressed the opinion that the situation had reached a climax, and that he was contemplating a return to the United States.⁹²

The Generalissimo thereupon proposed what he called his "maximum concessions," which were, in brief:⁹³

- (1) The Government was willing to concede another seat on the State Council to the left bloc of Communists and Democratic League providing it were filled by an independent acceptable to both sides. (This would give the left bloc thirteen seats out of a total of forty. Fourteen seats were needed to check the Nationalist majority.)
- (2) The Committee of Three must designate those areas into which the Communists were to withdraw their forces completely.

⁹²Letter, General Marshall to President Chiang Kai-shek, October 1, 1946. China White Paper, p. 622.

⁹³Letter, President Chiang Kai-shek to General Marshall, October 2, 1946. China White Paper, p. 553.

The Generalissimo promised that if these two proposals were acceptable a truce could be declared.

General Marshall was disturbed by these two proposals because they omitted all reference to the allocation of Government troops, which had been fixed by the military reorganization agreement of February 25. He questioned the integrity of the Nationalist government, and he told the Generalissimo that it was apparent to him that a policy of force was being applied under the cover of the negotiations, and that the United States would not be a party to it. As a result, General Marshall requested that the President recall him home.

When the Generalissimo learned of General Marshall's decision to leave China, he immediately offered to halt the Nationalist attack on Kalgan for a period of four days, or even longer if the American mediator insisted, on condition that the Communist Party agree to participate in the deliberations of the Committee of Three and the Committee of Five. General Marshall reacted favorably by sending a message to the State Department asking it to withhold his request to be recalled.

General Marshall and the Generalissimo again discussed the details for a truce, the Generalissimo having been persuaded to extend the truce period to ten days.⁹⁴ The Communists rejected this truce proposal on the grounds that there should be no time limit imposed upon the truce period, and that the projected discussion by the Committee of Five and the Committee of Three must not be limited merely to the two proposals stipulated by the Generalissimo's memorandum of October 2, but must be

⁹⁴Letter, General Marshall to Ambassador Stuart, October 6, 1946, China White Paper, p. 644.

based upon a mutually acceptable agenda.

General Marshall talked to General Chou to see what the prospects were for a compromise. The chief Communist delegate made a three-point proposal for a truce and an eight point political proposal. The truce proposal required that all troops return to their positions of January 13, 1946, south of Manchuria, and to those of June 7, 1946, in Manchuria; that the location of all troops, until the time of the army reorganization, should remain fixed, and that Government troops shifted after January 13, 1946, should be returned to their original locations. The political proposals presented as the agenda for the five-man Committee and the P.C.C. Steering Committee were based upon the P.C.C. resolutions. The political proposals were, in brief:⁹⁵

- (1) Chinese Communist party and Democratic League were to occupy fourteen seats out of the forty in the State Council;
- (2) Simultaneously with the reorganization of the State Council the Executive Yuan was to be reorganized;
- (3) The draft constitution prepared by the P.C.C. Reviewing Committee was to be presented to the National Assembly "as the only basis for discussion." (quotes are General Chou's);
- (4) Final reconvening date of the National Assembly was to be decided by the P.C.C. Steering Committee;
- (5) After the government had been reorganized the various parties would present to that government lists of their National Assembly delegates;
- (6) Local administrations to maintain the status quo pending the introduction of local self-government and the reorganization of the central government;
- (7) Political prisoners to be released, and newspapers, magazines, news agencies, bookshops and people's organizations banned after January 1946, to be restored;

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Letter, General Chou to General Marshall, October 9, 1946.
China White Paper, p. 667.

- (8) Military affairs to be divorced from civil administration in order to effect demobilization.

General Marshall cautioned General Chou that Chiang would not accept a restoration of the status quo ante, and that the propaganda line of the Communists was making the task of mediation very difficult for him.

On October 9, the Communists agreed to participate in the Committee of Three and the Committee of Five and to carry on simultaneous discussions towards a truce and the implementation of the P.C.C. resolutions, on the basis of Chiang's promise to General Marshall to check his armies' advance for ten days. The Communists also insisted that the agenda include Chou's three-point military and eight-point political proposals. At this point Chiang again became intransigent and ordered his forces to advance on Kalgan, which fell on the tenth of October.

Despite the fall of Kalgan and the re-establishment of conscription by the Nationalists, the chief Communist delegate agreed to resume direct negotiations with Chiang Kai-shek. However, when the Government announced that the National Assembly would be convened on November 12, 1946, General Chou held up in Shanghai, where he had chosen to stay until the Government agreed to compromise.

The minority parties, as well as the Communist Party, issued declarations of stinging criticism against the Generalissimo's unilateral pronouncement, for it had been agreed in April 1946, by a conference of all the parties, that the National Assembly not be convened until all the parties had voted on an appropriate date. Chiang Kai-shek's only reply was that he was carrying out the Kuomintang's resolution "which required formal notification and confirmation of the date of the National

Assembly one month prior to its convocation."

On October 16 the Generalissimo issued another proposal--an eight-point proposal, similar to past Nationalist proposals, which was unacceptable to the Communists. The Communist rejection was used to justify the intensification of the Nationalist military offensive in Manchuria.

The Communists continued their propaganda attacks against the United States, demanding the immediate withdrawal of all American troops from China and the cessation of United States material support to the National government. As a further sign of protest against the United States mediator, the Communists reduced their personnel on the Executive Headquarters at Peiping.

At this juncture in the China affair the "Third Party Group" of minority party leaders attempted to persuade the Generalissimo and General Chou to seek a compromise instead of dragging China into civil war. They recommended, in brief, that:⁹⁶

- (1) Both sides order their troops to cease fire and hold their positions.
- (2) Local civilian administrations should be subject to authorization by the reorganized State Council.
- (3) On the basis of the P.C.C. resolutions the Steering Committee should be convened to plan the reorganization of the Government and to discuss the advisability of convening a Constituent Assembly.

After the Generalissimo rejected the proposal, the Third Party Group recommended that informal discussions by the Government, Third Party Group and Communist Party representatives be held. Chiang Kai-shek agreed, providing that his eight-point proposal of October 16 were

⁹⁶ Proposal by the Third-Party-Group, October 1946, China White Paper, p. 675.

made the agenda, upon which the Communists, apparently unprepared to fight, or fearful of precipitating United States ill-will, agreed.

General Marshall again conferred with the Generalissimo, and endorsed the suggestions of the Third-Party-Group as the only alternative to civil war, since the Communists could not be expected to capitulate, and the country was not willing to support the Nationalists in pressing for a military decision. Again he warned Chiang of the "endless troubles" that his intransigence would precipitate.

The Generalissimo indicated that he wished to end the hostilities, but that he could not lose face by revealing this to the Third-Party-Group, whereupon General Marshall invited him to extend the Third-Party-Group more confidence and respect, and to "build up their prestige by making concessions and encouraging them to speak frankly to him."

On October 30 the Generalissimo informed Dr. Stuart that he was willing to make two concessions to the Communists. They were, in brief:⁹⁷

- (1) Cease-fire order to apply to Manchuria as well as to China proper, and military positions to be adjusted to the status quo of noon June 7, 1946, and no further troop unit transfers to be made. Local administrations to be "dealt with uniformly in all China" (quote from China White Paper. It is not clear what is meant by "uniformly" except possibly that Communist local administrations would be left intact.)
- (2) Cities and Hsien along the Changchun Railway trunk line not already under occupation by the Government, would not be disturbed until agreement on the reorganization of the Government.

When the scheduled meeting of negotiators was held on November 4, 1946, the Government representative failed to attend, alleging that the Communists were seeking to terminate the American mediation.

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China White Paper, p. 202.

The Communists, in November 1946, were still insistent that the Executive Yuan⁹⁸ should be reorganized before they submitted their delegation to the National Assembly. It had been resolved by the Political Consultative Conference that the National government should be reorganized,^v enabling all parties to have an opportunity "to supervise the execution of, among other things, the resolutions of the Draft Constitution and the National Assembly." But Chiang Kai-shek later refused to reorganize the Government until after the convening of the National Assembly.⁹⁹

The Communists were disturbed over the unilateral convocation of the National Assembly by the Kuomintang, which was contrary to the P.C.C. resolution that provided that the date of its convening would be decided by the P.C.C. Steering Committee.

The composition of the National Assembly, which gave the Kuomintang a majority of the seats, was not satisfactory to the Communists. Despite opposition from the Communists and the Democratic League, the Kuomintang had succeeded in seating twelve hundred delegates, "elected" in 1936-1937 or to be "elected" in accordance with the Electoral Law of 1936 on a geographical and vocational basis. In addition, one-hundred and fifty more delegates were to represent "Formosa, the northeastern and other provinces" on the same basis. There were also to be seven hundred

⁹⁸According to the P.C.C. resolution the Executive Yuan was to be the "supreme executive organ of the state," consisting of the various ministries, such as the Ministry of Interior, Ministry of Foreign Affairs etc. The Chairman of the Executive Yuan was to be nominated by the President of the National government with the consent of the Legislative Yuan. The Executive Yuan was to be responsible to the Legislative Yuan, which was empowered to vote no confidence in the Executive Yuan, either causing its resignation or causing the President to dissolve the Legislative Yuan.

⁹⁹Ch'ien, op. cit., p. 320.

additional delegates apportioned among the various political parties-- Kuomintang, two-hundred and twenty; Communists, one-hundred and ninety; Democratic League, one-hundred and twenty; Youth Party, one hundred; and Independents, seventy. Professor Ch'ien writes that the Communists and the Democratic League were assured of one-fourth of the total delegation of two thousand and fifty, which would have given them a veto over the adoption of the constitution.¹⁰⁰ Evidently, part of the twelve hundred delegates representing geographical divisions and vocational interests were to have been Communists, though this was not clear.¹⁰¹

The Communists were also irritated over the draft constitution that was to have been presented to the National Assembly. Supposedly it was to have been a revision of the 1936 Kuomintang draft constitution in accordance with principles formulated by the P.C.C. The Constitutional Reviewing Committee had revised the 1936 draft rather drastically in some respects, to the consternation of the Kuomintang extremists, who had unsuccessfully challenged the Communists and Democratic bloc in the P.C.C. However, the extremists, in violation of a Kuomintang pledge to accept the draft constitution of the Reviewing Committee, were able to force a resolution through the Central Executive Committee of the Kuomintang changing the revised draft in some of its more important aspects to the 1936 Kuomintang draft, namely: the cabinet form of government provided for in the revised draft was altered to the strong

¹⁰⁰This was to have been the only function of the National Assembly according to the original P.C.C. resolution.

¹⁰¹Ch'ien, *op. cit.*, pp. 319-320.

presidential form; the National Assembly was changed back to an organic body instead of merely a constituent assembly; and the provincial home rule provision was "toned down." These changes, the Kuomintang insisted, were "legal" since the Communists and other parties had agreed to them, although the Communists adamantly insisted they had not agreed. Professor Ch'ien writes that despite the disagreement, the Reviewing Committee proposed the Kuomintang changes.¹⁰²

The Reviewing Committee, however, had failed to adopt a complete revised draft constitution because of the friction caused by differences of opinion in carrying out other P.C.C. resolutions and the breaking out of hostilities. The draft constitution that was prepared for the Kuomintang-convened National Assembly was an exclusive product of the Kuomintang and its supporters.¹⁰³ The Communists did not accept this unilateral action, and resented the Kuomintang's efforts to coerce them into accepting it under the pressure of military force. The Communists demanded, in a letter to General Marshall on October 9, that the draft constitution prepared by the P.C.C. Reviewing Committee be presented to the National Assembly "as the only basis for discussion."

Chiang Kai-shek's views were explicitly stated to Dr. Stuart and General Marshall when he asked them to help him prepare a statement for the public, relating to the convening of the National Assembly, and calling for a cessation of hostilities. He emphasized three points that were to be the core of the statement:¹⁰⁴

¹⁰²Ibid., p. 319.

¹⁰³Youth Party and Democratic Socialist Party.

¹⁰⁴China White Paper, p. 205.

- (1) While there had previously been divided opinion in the Government regarding the proper course to follow, now there was unanimity of opinion that a policy of force was the only course to follow;
- (2) Careful consideration must be given to the delegates who had been "legally elected" in 1936 and were now assembled in Nanking. The dominant importance of the P.C.C. resolutions, in contrast to the 1936 Kuomintang Draft Constitution, was not to be emphasized;
- (3) Careful consideration must be given to the morale of the army, considering the losses that had been recently sustained, if they were to be greeted by the announcement of an unconditional cessation of hostilities which would amount to the virtual unconditional surrender of the National government's position.

These three points reflected the thinking of the Kuomintang at this point, which indicated its determination to remain the ruling elite of China and the futility of compromise. Chiang Kai-shek seemed to have been sure that militarily he had the upper hand, and that he could depend upon the support of the United States against the Communists, since the United States was becoming fully engaged in a cold war against the U. S. S. R. The security he sensed from these deductions evidently led him to violate the P.C.C. resolutions, which were the only basic norm that governed the relationship between the rival parties. The Communists were insurgents vying for complete domination of the government of China. They had a territorial base and a de facto government whose existence could not have been denied. Under these circumstances the relationship between the Communists and the Kuomintang was subject only to the norm of pacta sunt servanda of positive international law. The treaty norm that was established between the de jure government and the insurgents took the form of the P.C.C. resolutions.

Although General Marshall emphasized very strongly when presenting the draft statement to the Generalissimo that it was in no way a

reflection of his own views or the policy of the United States, and that he was only attempting to assist the Generalissimo to present his views in "the least provocative manner," it is hard to justify General Marshall's assistance. It was apparent at this point that General Marshall had reached the conclusion that compromise was impossible between the two rival parties, and that he was resorting to Byrnes' unwritten instructions to support Chiang regardless of his intransigence. This undoubtedly impugned his position as an impartial mediator.

The Generalissimo issued a cease-fire order so that the National Assembly might convene under formal conditions of peace. The original date for the convening of the National Assembly was postponed to the fifteenth of November, allegedly to give the Communists and the Third-Party-Group an opportunity to reconsider their stand and send representatives. The Communists and the Democratic League, however, refused to send delegates. Part of the Third-Party-Group was represented, but its internal divisions rendered it ineffective at the National Assembly.

General Chou, on the sixteenth of November, a day after the convening of the National Assembly, issued a statement that the Communists did not recognize it, and considered it a unilateral and dictatorial action, contrary to the P.C.C. resolutions. General Chou stated that according to the program and spirit of the P.C.C., the convention of the National Assembly was possible only after all the P.C.C. decisions were, step by step, carried out into working realities, and the Assembly itself directed by the reorganized Government.¹⁰⁵

General Chou called upon General Marshall to ask for transportation

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Statement by the Head of the Chinese Communist Party Delegation (Chou) (Nanking) November 16, 1946. China White Paper, p. 683.

to Yenan, leaving a token representation in Chungking. General Chou indicated that he wished the Executive Headquarters to be continued, but he expressed fear that the Government would launch an attack against Kehan, the Communist capital, which would end all hope for a negotiated peace.

General Marshall asked the Chief Communist delegate to determine whether the Communist party wished to have him continue in the capacity of mediator. The Communists never made a formal reply, for they doubted Marshall's impartiality and distrusted the motives of the United States.

General Marshall remained in China until his recall on January 6, 1946, hoping to the end that some influence might be brought to bear upon the formulation of a democratic constitution that might serve as a basis for reconciling the rival parties.

The Kuomintang-summoned National Assembly adopted the "1946 Constitution" on December 25, 1946. Professor Ch'ien draws two general conclusions from his study of this constitution. He has written that if the Constituent National Assembly had been a genuinely sovereign assembly, popularly elected and representing the will of the people, there would have been little importance attached to whether the constitution was in accord with the P.C.C. resolutions. However, this assembly had not been popularly elected. Therefore, the basic norm regulating its activities had to be the P.C.C. resolutions, for they were the only documents that represented agreement between the rival factions. It was this consideration that caused the Kuomintang and its allied parties to claim that the Constitution of 1946 was in line with the resolutions of the Conference, and the Communists to claim that it was not. Professor Ch'ien has written

that "while most of the lesser changes suggested by the resolution were embodied in the Constitution, the all-important checks placed on the powers of the President of the Republic were not."¹⁰⁶

His second conclusion was that it was a "fairly good document, better in draftsmanship, more democratic in spirit, and more satisfactory in the framework of government that it purports to build up than any other constitution, provisional constitution, or draft constitution, the Republic has had."¹⁰⁷

General Marshall left China on January 8, 1947, and soon after, the United States withdrew all American personnel from the mixed Committees.

General Marshall's Views on the China Crisis.¹⁰⁸

General Marshall was of the opinion that the greatest obstacle to mediation between the Kuomintang and Communists parties was the complete and overwhelming suspicion with which the Chinese Communists and the Kuomintang viewed each other. The Kuomintang leaders were fearful of taking the Communists into the government, for the Communists were candid about their ultimate desire to establish a communistic society in China.

General Marshall stated that there were reactionaries in the Government who opposed methodically every move he made to form a coalition government. They frankly admitted their belief that cooper-

¹⁰⁶Ch'ien, op. cit., pp. 323-329.

¹⁰⁷Ibid.

¹⁰⁸Personal statement by the Special Representative of the President (Marshall), January 7, 1946. China White Paper, p. 636.

ation with the Communists was inconceivable, and that force was the only way to settle the issue of supremacy in China.

The Communists, according to General Marshall, consisted of liberals as well as radicals. He felt that many liberals had joined the party in disgust at the corruption of the local governments, and were interested in the welfare of the Chinese people more than in the ideology of Communism. The "dyed-in-the-wool" Communists, on the other hand, did not hesitate to take "the most drastic measures to gain their end, for instance, the destruction of communications in order to wreck the economy of China and produce a situation that would facilitate the overthrow or collapse of the Government without any regard to the immediate suffering of the people involved."¹⁰⁹

General Marshall deprecated the propaganda of the Communists by terming it as: "deliberate misrepresentations and abuse of the actions, policies and purposes of our government, . . . without regard for truth, without any regard whatsoever for the facts. . ."¹¹⁰

General Marshall credited the excessive dominance of the military in China for having made the civil government corrupt and unpopular, and stated that the Kuomintang was counting upon substantial support from America, while the Communists were counting upon an economic collapse as allies in their respective drives to monopolize political power in China.

General Marshall believed that the "ideal" solution of the Chinese civil war was originally to build up the influence of the liberal elements and to unify them into a party which "could serve as a balance between the two major parties."¹¹¹

¹⁰⁹Ibid.

¹¹⁰Ibid.

¹¹¹Ibid.

CHAPTER IV

EVALUATION OF THE MARSHALL MISSION

A Continuation of the Traditional China Policy.

Profit motive and evangelistic enthusiasm took the first Americans to China. Although their stake was not too significant during the 19th century, a policy was molded that aimed at the friendship and unity of China. By the end of the 19th century the United States was competing for foreign markets and potential outlets for surplus capital; the "teeming millions" of China lured the American imagination as a great market for goods and capital. To protect this vast potential market from colonial appropriation, the "open door" for equal trade and investment opportunity and the diplomatic defense of the administrative and territorial integrity of China was proclaimed as United States policy. American economic interests in China were too limited to warrant a vigorous policy of diplomatic and military support until 1941, when the United States and Britain decided to check and roll back Japanese expansionism.

After World War II United States interest in China as an outlet for trade and investments was renewed. Strategically, China was being groomed by the United States to offset and balance Russian and Japanese influence in Asia. American policy sought to build up a strong and unified China that could check Japanese and Russian ambitions in Asia, and that would welcome close commercial and investment ties with the United States. Domestic instability and rivalry for political power weakened China and prevented her from asserting the strategic and economic

role that American policy had outlined for her. A Chinese Communist or socialist government in China threatened to prevent the realization of United States economic and strategic policy in Asia by allying China more closely to the Soviet Union than to the United States. The Marshall mission was dispatched to China to head off the threat of civil war and effect a unification of political forces into one national government that would serve the goals of American policy.

Why the Marshall Mission Failed.

A realistic appraisal of the Chinese problem prior to the Marshall mission should have revealed that there actually existed two de facto sovereign entities in China having organized governments, armies and defined territories. Each government sought to establish complete domination over the whole of China. The Communists were insurgents whose claim to de facto status was supported by a powerful military force and massive popular support in north China. A realistic appraisal of the relationship between the Communists and the Nationalist government caused the United States to offer its "good offices" as mediator in the domestic political struggle of a wartime ally, which implied United States recognition of the de facto situation of insurgency that reigned in China, and willingness to compromise the political rivalry between the insurgents and the legitimists, so as to avoid further weakening of China, and also to avoid the apparent likelihood of an insurgent victory through a test of arms. The United States was not prepared or willing in 1945 to intervene in force on the side of the Nationalist regime, or to risk the possible consequences of such action: (1) de facto partition of China into two States, with the Communists in a position to receive direct support from the U.S.S.R.

in Manchuria, or (2) the breakdown of United States-Soviet relations and the threat of a war for the control of China. Although General Marshall's formal instructions reflected a realistic appraisal of the Chinese civil war, he was instructed informally by the Secretary of State, James F. Byrnes, to exert American influence on behalf of the legitimate regime in the event a compromise peace could not be achieved.

This preference of the United States for the Nationalists as against the Communists weakened the effectiveness of General Marshall's mediation efforts and encouraged Chiang to pursue an intransigent policy vis-a-vis Mao. Since the United States recognized the Nationalist regime and Chiang Kai-shek's leadership, full support was guaranteed the Nationalist regime in Marshall's oral instructions, despite Chiang's intransigence. This factor, from the very beginning, distracted from the impartiality of the Marshall mission. Undoubtedly General Marshall's oral instructions reflected the deterioration of United States relations toward the Soviet bloc, that arose from the re-interpretation of the Yalta and Potsdam agreements. It would have been illogical for the United States to have placed itself in a position where it would have had to support the Communists as against the Kuomintang; yet, a realistic threat of such a policy might have convinced Chiang Kai-shek to have been more compromising and to pursue a reformist policy that might have enabled him to maintain effective leadership in China.

For an impartial mediation to have ensued, it would have been necessary for the United States to have considered these two rivals as de facto equals, and to have required strict respect for all agreements concluded between them, such as the Political Consultative Conference resolutions. Chiang's uncompromising attitude in regard to fulfilling the terms of these agreements might have been countered by

more positive action, such as the withdrawal of all American military and economic aid until a spirit of compromise was revealed. Only in August 1946 were United States military supplies directly used in combat withheld from Chiang. However, many shipments of surplus property such as vehicles, parts and other supplies that could have been used for peaceful reconstruction, but which also had a military value, were allowed to Chiang after August 1946.

The United States was placed in the awkward position of actively supporting the Nationalists, while at the same time attempting to perform an "impartial mediation." The Communists easily exploited these circumstances through propaganda that accused the United States of "intervening" on behalf of the Kuomintang, and which pictured the Nationalists as servants of American "imperialism." They denounced Chiang Kai-shek, who was losing popular support, as a "puppet" of the United States, and contrasted their own position as being "truly Chinese," minimizing their relationship with the Russian Communists. Russians and Russian equipment were not then present in China, which permitted the Chinese Communists to assert that Russia was a friendly neutral interested in peace and equality of status. This appealed to the frustrated and aroused nationalism of the Chinese masses, who were weary of foreigner domination, and it precipitated the victory of the Chinese Communists, who were also striving for total and complete leadership over the Chinese nation.

The unqualified support for Chiang that General Marshall received in his oral instructions did not reveal adequate appreciation of the nature or extent of the Chinese social revolution that had matured during forty years. Chiang alienated popular support through his

sterile rural policies that promised no relief to the peasantry, the largest element of Chinese society. Chiang's support came primarily from the urban speculators and landlords, who insisted intransigently upon the maintenance of the status quo.

The peasants were economically depressed because of land shortages, high rents, heavy taxes and usurious interest rates. Chiang failed to alleviate their distress through positive reforms that might have won him their loyalty and respect and hardened his resistance against the Communists. In areas where landlordism was a major problem, land was not redistributed, usurious interest rates were not modified, taxes were increased to sustain the heavy military budget for the extermination of the Communists, and rents continued to take a large percentage of the peasant's production.

Chiang also alienated the intellectuals and the students by ignoring their demands, and by suppressing them with brutal police methods. These individuals were wooed by the Communists, who successfully acquired their support.

The Communists, who found a source of political power in the depressed masses and intellectuals, vaunted a positive program of reformism that called for re-division of the land, elimination of the moneylenders and lower taxes. The peasants became endeared to this program, and they willingly followed the leadership of the Communists. As a result of Communist propoganda, the peasants quickly became imbued with a sense of self-assertion, and they were led to believe in the values of the Western Enlightenment—that the individual is master of his destiny. They actively and enthusiastically engaged in uprooting the landlord, moneylenders and government officials. The Communists also developed and directed cooperatives among the peasants

to assist them in stimulating local needs and output.

The essential conclusion of this study is that the Communists were fully cognizant of the impending revolution in the countryside, and strove enthusiastically to identify themselves with the peasant rebellion against the status quo. Chiang Kai-shek sat by idly, ignoring the social revolution and depended naively on military force alone to achieve unity and to enforce the status quo.

It was unfortunate that the United States tied itself so tightly to Chiang Kai-shek when effective pressure might have been applied to force Chiang to meet the realities of the Chinese problem. Chiang's regime was almost entirely dependent upon American support to sustain its armies, and this lever might have been used to force Chiang to enact positive reforms in the countryside that would have satisfied and befriended the masses in time. This may not, however, have assured Chiang success, since the Communists were already powerfully organized and had effectively discredited him in the eyes of the Chinese masses as a tool of the "exploiting classes" and as a "puppet" of the United States.

The United States might have supported the Third-Party-Group, which consisted of a coalition of minor parties composed of detached intellectuals. This group, however, was extremely factional, and had been unable to formulate a united program. It also lacked an army to obey its will and which might have disarmed the Nationalist and Communist forces. General Marshall concluded that this group was the only "hope" for a democratic China, and that if a coalition of the Kuomintang and the Communists had been possible to form, that this Third-Party-Group might have exercised great influence over the State and might have been

able, over a period of time, to have gained the ascendancy by developing a truly "national" army and bureaucracy, and by winning the respect and enthusiasm of the peasantry and the lower middle classes.

The United States was unable to support this group because of its weakness, and was unwilling to back a group of intellectual leaders who were "socialistic" and averse to American commercial policy.

The Communists were generally more compromising in the negotiations than the Kuomintang, since they were militarily weaker, and they were confident of eventually winning massive popular support. Chiang's military forces outnumbered the Communists' about five to one, and were receiving much material support from the United States. The Communists had been able to take possession of Japanese military stores, but so far had not received Russian military supplies.

The Communists were willing to join a coalition government, provided they were not placed in a position where it would have been impossible for them to eventually capture national leadership. They refused to disperse their military organization or to integrate it within the Nationalist armies until the government was reorganized in such a way as to guarantee them a veto over any activity that might imperil their existence. This was a realistic policy that aimed at self-preservation and eventual hegemony.

The Nationalists, on the other hand, were intransigent during the negotiations, since they were well aware of the Communists' tactics of infiltration, and feared a coalition that might give the Communists a strong position in a unified government. They refused to reorganize the government until the Communists had submitted unconditionally to

the military reorganization agreement which called for the absorption of the Communist divisions into the Nationalist army, and even attempted to coerce the Communists into submission by military force.

The Nationalists felt secure in the knowledge that they could depend upon United States support because of the United States' position in the cold war against the Soviet bloc. It is not unlikely that the Nationalists were aware of Marshall's oral instructions that pledged American support for Chiang Kai-shek, although this can not, at present, be proved.

American military and economic aid only bolstered the assurance of Chiang that he would not be abandoned, and contributed to his intransigence.

Chiang Kai-shek also found a naive sense of security in his military force, which outnumbered the Communists. But he failed to take into consideration the effects of the social revolution upon his army, which in the end, proved disastrous for him. He also failed to heed the advice of American military experts not to overextend his advance, which exposed his armies to Communist guerrilla tactics.

These circumstances placed the American mediator in an awkward position, since the Communists displayed a willingness to compromise while the Kuomintang insisted upon a solution by force, and oral instructions insisted that Chiang Kai-shek should not be abandoned despite his uncompromising spirit.

Policy Alternatives 1947-1949.

Since the Marshall mission failed to achieve its established objectives, the only realistic alternative, consistent with American interests in Asia, would have been military intervention for the purpose

of establishing a Chinese government that recognized the significance of the social revolution, and that would not have been averse to American commercial penetration.

This policy, however, would not have been practical, since it would have been an expensive military adventure, which the American people were not then prepared to support. The Chinese themselves would have been averse to such a meddlesome policy and would probably have grasped even more firmly to the Communists' leadership, and through guerrilla tactics would have created havoc with any intervention. Another risk would have been the reaction of the Soviet Union, which might have led to a third world war.

A second alternative might have been the division of traditional China into Communist and Nationalist States. The Communists would have seized north China, which is geared potentially to industrialization, while the Nationalist regime would have held the agricultural south. This might have been the most practical solution, as far as the United States was concerned, even though the complete fulfillment of the Marshall mission's objectives would not have been realized. At least all of China would not have fallen to the Communists, although the more important industrialized areas would have, and a strong counterweight to the Communist bloc in Asia might have been preserved.

Even such a policy of retrenchment would have posed the problem of social, economic and political reforms in China, a policy that Chiang was unable and unwilling to sanction.

The third alternative might have been the complete abandonment of China by the United States, which might have forced Chiang to reach a compromise with the Communists. This may have delayed a Communist

triumph, although indications are that the Communists would have ultimately undermined the effectiveness of the Nationalist leadership by exploiting the inherent social unrest and demoralization of the status system of the traditional social structure.

President Truman to the Special Representative of the
President to China (Marshall)

Washington, December 15, 1945

MY DEAR GENERAL MARSHALL: On the eve of your departure for China I want to repeat to you my appreciation of your willingness to undertake this difficult mission.

I have the utmost confidence in your ability to handle the task before you but, to guide you in so far as you may find it helpful, I will give you some of the thoughts, ideas, and objectives which Secretary Byrnes and I have in mind with regard to your mission.

I attach several documents which I desire should be considered as part of this letter. One is a statement of U. S. policy towards China which was, I understand, prepared after consultation with you and with officials of the Department. The second is a memorandum from the Secretary of State to the War Department in regard to China. And the third is a copy of my press release on policy in China. I understand that these documents have been shown to you and received your approval.

The fact that I have asked you to go to China is the clearest evidence of my very real concern with regard to the situation there. Secretary Byrnes and I are both anxious that the unification of China by peaceful, democratic methods be achieved as soon as possible. It is my desire that you, as my Special Representative, bring to bear in an appropriate and practicable manner the influence of the United States to this end.

Specifically, I desire that you endeavor to persuade the Chinese Government to call a national conference of representatives of the major political elements to bring about the unification of China and, concurrently, to effect a cessation of hostilities, particularly in north China.

It is my understanding that there is now in session in Chungking a Peoples' Consultative Council made up of representatives of the various political elements, including the Chinese Communists. The meeting of this Council should furnish you with a convenient opportunity for discussions with the various political leaders.

Upon the success of your efforts, as outlined above, will depend largely, of course, the success of our plans for evacuating Japanese troops from China, particularly north China, and for the subsequent withdrawal of our own armed forces from China. I am particularly desirous that both be accomplished as soon as possible.

In your conversations with Chiang Kai-shek and other Chinese leaders you are authorized to speak with the utmost frankness. Particularly, you may state, in connection with the Chinese desire for credits, technical assistance in the economic field, and military assistance (I have in mind the proposed U. S. military advisory group which I have approved in principle), that a China divided and torn by civil strife could not be considered realistically as a proper place for American

assistance along the lines enumerated.

I am anxious that you keep Secretary Byrnes and me currently informed of the progress of your negotiations and of obstacles you may encounter. You will have our full support and we shall endeavor at all times to be as helpful to you as possible.

Sincerely yours,

HARRY TRUMAN

MEMORANDUM BY SECRETARY BYRNES

Washington, December 9, 1945

For the War Department

The President and the Secretary of State are both anxious that the unification of China by peaceful democratic methods be achieved as soon as possible.

At a public hearing before the Foreign Relations Committee of the Senate on December 7, the Secretary of State said:

"During the war the immediate goal of the United States in China was to promote a military union of the several political factions in order to bring their combined power to bear upon our common enemy, Japan. Our longer-range goal, then as now, and a goal of at least equal importance, is the development of a strong, united, and democratic China.

"To achieve this longer-range goal, it is essential that the Central Government of China as well as the various dissident elements approach the settlement of their differences with a genuine willingness to compromise. We believe, as we have long believed and consistently demonstrated, that the government of Generalissimo Chiang Kai-shek affords the most satisfactory base for a developing democracy. But we also believe that it must be broadened to include the representatives of those large and well organized groups who are now without any voice in the government of China.

"This problem is not an easy one. It requires tact and discretion, patience and restraint. It will not be solved by the Chinese leaders themselves. To the extent that our influence is a factor, success will depend upon our capacity to exercise that influence in the light of shifting conditions in such a way as to encourage concessions by the Central Government, by the so-called Communists, and by the other factions."

The President has asked General Marshall to go to China as his Special Representative for the purpose of bringing to bear in an appropriate and practicable manner the influence of the United States for the achievement of the ends set forth above. Specifically, General Marshall will endeavor to influence the Chinese Government to call a national conference of representatives of the major political elements to bring about the unification of China and, concurrently, effect a cessation of hostilities, particularly in north China.

In response to General Wedemeyer's recent messages, the State Department requests the War Department to arrange for directions to him stipulating that:

(1) He may put into effect the arrangements to assist the Chinese National Government in transporting Chinese troops to Manchurian ports, including the logistical support of such troops;

(2) He may also proceed to put into effect the stepped-up arrangements for the evacuation of Japanese troops from the China theater;

(3) Pending the outcome of General Marshall's discussions with Chinese leaders in Chungking for the purpose of arranging a national conference of representatives of the major political elements and for a cessation of hostilities, further transportation of Chinese troops to north China, except as north China ports may be necessary for the movement of troops and supplies into Manchuria, will be held in abeyance;

(4) Arrangements for transportation of Chinese troops into North China may be immediately perfected, but not communicated to the Chinese Government. Such arrangements will be executed when General Marshall determines either (a) that the movement of Chinese troops to north China can be carried out consistently with his negotiations, or (b) that the negotiations between the Chinese groups have failed or show no prospect of success and that the circumstances are such as to make the movement necessary to effectuate the surrender terms and to secure the long-term interests of the United States in the maintenance of international peace.

Statement by President Truman on United States Policy
Toward China, December 15, 1945

The Government of the United States holds that peace and prosperity of the world in this new and unexplored era ahead depend upon the ability of the sovereign nations to combine for collective security in the United Nations organization.

It is the firm belief of this Government that a strong, united and democratic China is of the utmost importance to the success of this United Nations organization and for world peace. A China disorganized and divided either by foreign aggression, such as that undertaken by the Japanese, or by violent internal strife, is an undermining influence to world stability and peace, now and in the future. The United States Government has long subscribed to the principle that the management of internal affairs is the responsibility of the peoples of the sovereign nations. Events of this century, however, would indicate that a breach of peace anywhere in the world threatens the peace of the entire world. It is thus in the most vital interest of the United States and all the United Nations that the people of China overlook no opportunity to adjust their internal differences promptly by means of peaceful negotiation.

The Government of the United States believes it essential:

(1) That a cessation of hostilities be arranged between the armies of the National Government and the Chinese Communists and other dissident Chinese armed forces for the purpose of completing the return of all China to effective Chinese control, including the immediate evacuation of the Japanese forces.

(2) That a national conference of representatives of major political elements be arranged to develop an early solution to the present internal strife—a solution which will bring about the unification of China.

The United States and the other United Nations have recognized the present National Government of the Republic of China as the only legal government in China. It is the proper instrument to achieve the objective of a unified China.

The United States and the United Kingdom by the Cairo Declaration in 1943 and the Union of Soviet Socialist Republics by adhering to the Potsdam Declaration of last July and by the Sino-Soviet Treaty and Agreements of August 1945, are all committed to the liberation of China, including the return of Manchuria to Chinese control. These agreements were made with the National Government of the Republic of China.

In continuation of the constant and close collaboration with the National Government of the Republic of China in the prosecution of this war, in consonance with the Potsdam Declaration, and to remove possibility of Japanese influence remaining in China, the United States has assumed a definite obligation in the disarmament and evacuation of the Japanese troops. Accordingly the United States has been assisting and will continue to assist the National Government of the Republic of China in effecting the disarmament and evacuation of Japanese troops in the liberated areas.

The United States Marines are in North China for that purpose.

The United States recognizes and will continue to recognize the National Government of China and cooperate with it in international affairs and specifically in eliminating Japanese influence from China. The United States is convinced that a prompt arrangement for a cessation of hostilities is essential to the effective achievement of this end. United States support will not extend to United States military intervention to influence the course of any Chinese internal strife.

The United States has already been compelled to pay a great price to restore the peace which was first broken by Japanese aggression in Manchuria. The maintenance of peace in the Pacific may be jeopardized, if not frustrated, unless Japanese influence in China is wholly removed and unless China takes her place as a unified, democratic and peaceful nation. This is the purpose of the maintenance for the time being of United States military and naval forces in China.

The United States is cognizant that the present National Government of China is a "one-party government" and believes that peace, unity and democratic reform in China will be furthered if the basis of this Government is broadened to include other political elements in the country. Hence, the United States strongly advocates that the national conference of representatives of major political elements in the country agree upon arrangements which would give those elements a fair and effective representation in the Chinese National Government. It is recognized that this would require modification of the one-party "political tutelage" established as an interim arrangement in the progress of the nation toward democracy by the father of the Chinese Republic, Doctor Sun Yat-sen.

The existence of autonomous armies such as that of the Communist army is inconsistent with, and actually makes impossible, political unity in China. With the institution of a broadly representative government, autonomous armies should be eliminated as such and all armed forces in China integrated effectively into the Chinese National Army.

In line with its often expressed views regarding self-determination, the United States Government considers that the detailed steps necessary to the achievement of political unity in China must be worked out by the Chinese themselves and that intervention by any foreign government in these matters would be inappropriate. The United States Government feels, however, that China has a clear responsibility to the other United Nations to eliminate armed conflict within its territory as constituting a threat to world stability and peace--a responsibility which is shared by the National Government and all Chinese political and military groups.

As China moves toward peace and unity along the lines described above, the United States would be prepared to assist the National Government in every reasonable way to rehabilitate the country, improve the agrarian and industrial economy, and establish a military organization capable of discharging China's national and international responsibilities for the maintenance of peace and order. In furtherance of such assistance, it would be prepared to give favorable consideration to Chinese requests for credits and loans under reasonable conditions for projects which would contribute toward the development of a healthy trade relations between China and the United States.

APPENDIX B

IMPORTANT DOCUMENTS RELATING TO THE MEDIATION

Resolution on Government Organization adopted by the
Political Consultative Conference, January 1946

Resolution on Military Problems adopted by the Political
Consultative Conference, January 1946

Agreement on the National Assembly by Sub-Committee of
the Political Consultative Conference

Resolution on the Draft Constitution adopted by the
Political Consultative Conference, January 1946

Basis for Military Reorganization and for the Integration
of the Communist Forces into the National Army

Resolution on Government Organization adopted by the
Political Consultative Conference, January 1946

I. Concerning the State Council: Pending the convocation of the National Assembly, the Kuomintang, as a preliminary measure preparatory to the actual inauguration of constitutionalism, will revise the Organic Law of the National Government in order to expand the State Council. The following are the salient points of the revision under contemplation:

1. There will be forty (40) State Councillors, of whom the Presidents of the Executive, Legislative, Judicial, Examination, and Control Yuan will be ex-officio members.

2. The State Councillors will be chosen by the President of the National Government from among the Kuomintang members as well as non-members of the Kuomintang.

3. The State Council is the supreme organ of the Government in charge of national affairs.

4. The State Council will be competent to discuss and decide on:

A. Legislative principles.

B. Administrative policy.

C. Important military measures.

D. Financial schemes and the budget.

E. The appointment and dismissal of Ministers of State with or without portfolios, and the appointment of members of the Legislative and Control Yuan.

F. Matters submitted by the President of the National Government for consideration.

G. Proposals submitted by three or more State Councillors.

5. If the President of the National Government is of opinion that any decision of the State Council is difficult to be carried out, he may submit it for reconsideration. In case three-fifths of the State Councillors, upon reconsideration, uphold the original decision, it shall be carried out accordingly.

6. General resolutions before the State Council are to be passed by a majority vote of the State Councillors present. If a resolution before the State Council should involve changes in administrative policy, it must be passed by a two-thirds vote of the State Councillors present. Whether a given resolution involves changes in administrative policy or not is to be decided by a majority vote of the State Councillors present.

7. The State Council meets every two weeks. The President of the National Government may call emergency meetings, if necessary.

II. Concerning the Executive Yuan.

1. All Ministers of the Executive Yuan are ipso facto Ministers of State. There may be three to five Ministers of State without portfolios.

2. Members of all political parties as well as individuals with no party affiliations may become Ministers of State with or without portfolios.

III. Concerning Miscellaneous matters.

1. Whether the membership of the People's Political Council should be increased and its powers raised, pending the inauguration of the Constitution, will be left to the Government to decide in the light of the circumstances of the time.

2. All Government employees, whether of the Central Government or of the local Governments, should be selected on the basis of merit. No discriminations on account of party affiliations should be allowed.

NOTE: A. The appointment of State Councillors by the President of the National Government will be made on the nomination of the different parties concerned. In case he does not consent to the candidature of any given individual, the party concerned may nominate another one for the office.

B. When the President of the National Government nominates any individual with no party affiliations as State Councillor whose candidature is opposed by one-third of the other nominees, he must reconsider the matter and make a different nomination.

C. Half of the State Councillors will be Kuomintang members and the other half will be members of other political parties and prominent social leaders. The exact number of members of other political parties and prominent social leaders who are to serve as State Councillors will form the subject of separate discussions.

D. Of the existing Ministers under the Executive Yuan and the proposed Ministers of State without portfolios, seven or eight will be appointed from among non-Kuomintang members.

E. The number of Ministries to be assigned to non-Kuomintang members will form the subject of separate discussions after the PCC has closed.

Resolution on Military Problems adopted by the Political
Consultative Conference, January 1946

I. Fundamental principles for the creation of a national army.

1. The army belongs to the State. It is the duty of the soldier to protect the country and love the people.

2. The army shall be established in response to the necessities of national defense. Its quality and equipment shall be improved in the light of the progress made in general education, science, and industry.

3. The military system shall be reformed in the light of the democratic institutions and actual conditions prevailing at the time.

4. The system of conscription shall be reformed and applied fairly and universally. Some form of the volunteer system shall be preserved and reforms shall be introduced in order to meet the requirements of a fully equipped army.

5. Military education shall be conducted in the light of the foregoing principles, and shall forever be dissociated from party affiliations and personal allegiance.

II. Fundamental principles for the reorganization of the army.

1. Separation of army and party

A. All political parties shall be forbidden to carry on party activities, whether open or secret, in the army. So shall be all cliques based on personal relations or of a territorial nature.

B. All soldiers on active service who owe allegiance to any political party may not take part in the party activities of the district in which they are stationed, when they are on duty.

C. No party or individual may make use of the army as an instrument of political rivalry.

D. No illegal organizations and activities may be allowed in the army.

2. Separation of civil and military authorities.

A. No soldier on active service in the army may serve concurrently as civil officials.

B. The country shall be divided into military districts, which shall be made not to coincide with administrative districts as far as possible.

C. The army shall be strictly forbidden to interfere in political affairs.

III. Methods aiming at the civilian control of the army.

1. When the preliminary measures for the reorganization of the army have been completed, the National Military Council shall be reorganized into a Ministry of National Defense under the Executive Yuan.

2. The Minister of National Defense shall not necessarily be a soldier.

3. The number of troops and military expenditure shall be decided upon by the Executive Yuan and passed by the Legislative Yuan.

4. All troops shall be under the unified control of the Ministry of National Defense.

5. A Military Committee shall be established within the Ministry of National Defense to be charged with the double duty of drawing up schemes for the creation of a national army and of seeing to it that the schemes are faithfully carried out. Members of the Committee shall be drawn from various circles.

IV. Practical methods for the reorganization of the army.

1. The three-man military commission shall proceed according to schedule and agree upon practical methods for the reorganization of the Communist troops at an early date. The reorganization must be completed as soon as possible.

2. The Government troops should be reorganized, according to the plan laid down by the Ministry of War, into ninety (90) divisions. The reorganization should be completed within six (6) months.

3. When the reorganizations envisaged in paragraphs 1 and 2 have been completed, all troops of the country should be again reorganized into fifty (50) or sixty (60) divisions.

4. A commission for the supervision of the reorganization plan shall be established within the National Military Council. Members of the commission shall be drawn from various circles.

Agreement on the National Assembly by Sub-Committee of
the Political Consultative Conference

Based on the resolution on this subject introduced by the Government representatives, the following agreement on the National Assembly was reached in the PCC Sub-Committee dealing with this problem by the various delegations:

1. That the National Assembly shall be convened on May 5, 1946.
2. That the power of the National Assembly is to adopt the Constitution.
3. That the Constitution shall be adopted by a vote of three-fourths of the delegates present.
4. That the 1,200 geographical and vocational delegates, who have been or are going to be elected according to the electoral law of the National Assembly, shall be retained.
5. That the geographical and vocational delegates for the North-east provinces and Taiwan shall be increased by 150.
6. That 700 seats shall be added to the National Assembly and they shall be apportioned among the various parties and social leaders. The ratio of apportionment shall be decided later.
7. That the total number of delegates to the National Assembly shall be 2,050.
8. That the organ to enforce the Constitution shall be elected six months after the Constitution is adopted.

Resolution on the Draft Constitution Adopted by the
Political Consultative Conference, January 1946

I. Establishment of a Reviewing Committee.

1. Name: Committee for the Reviewing of the Draft Constitution.

2. Organization: The Committee will have a total membership of twenty-five (25), of whom five (5) will represent each of the five groups composing the Political Consultation Conference. In addition, ten (10) technical experts outside of the PCC will be invited to take part in the work of the Committee. In selecting the technical experts reference should be made to the membership lists of the Association for the Promotion of Constitutionalism and the Association to Assist the Inauguration of Constitutionalism.

3. Functions: The PCC will establish the Committee for the Reviewing of the Draft Constitution, which will draw up a comprehensive scheme for the revision of the 1936 Draft Constitution on the basis of the principles recommended by the PCC and in the light of the recommendations made by the Association for the Promotion of Constitutionalism and the Association to Assist the Inauguration of Constitutionalism and opinions advanced by various other quarters. This scheme will be submitted to the National Assembly for adoption. It may also be laid before the PCC for discussion, if necessary.

4. Duration: Two months.

II. Principles to be applied in the revision of the Draft Constitution.

1. Concerning the National Assembly.

A. The entire electorate, when they exercise the rights of election, initiative, referendum, and recall, are call the National Assembly.

B. Pending the election of the President by universal suffrage, he shall be elected by an electoral body composed of the District, Provincial, and National Representative Assemblies.

C. The recall of the President is to be effected by the same means as that employed in his election.

D. The exercise of the rights of initiative and referendum will be defined by appropriate laws.

NOTE: The convocation of the first National Assembly will form the subject of discussion by the PCC.

2. Concerning the Legislative Yuan: The Legislative Yuan will be the supreme law-making body of the State and will be elected by the electorate. This function corresponds to those of a Parliament in a democratic country.

3. Concerning the Control Yuan: The Control Yuan will be the supreme organ of control of the State and will be elected by the Provincial Assemblies and the Assemblies of the Self-Governing Areas of Minority Peoples. It will exercise the functions of consent, impeachment, and control.

4. Concerning the Judicial Yuan: The Judicial Yuan will be the Supreme Court of the State, and will not be responsible for judicial administration. It will be composed of a specified number of justices, who will be appointed on the nomination of the President of the National Government and with the consent of the Control Yuan. The different grades of judges shall all be without party affiliations.

5. Concerning the Examination Yuan: The Examination Yuan will be in the form of a committee, whose members will be appointed on the nomination of the President of the National Government and with the consent of the Control Yuan. Its functions will be mainly to examine candidates for civil service and technical experts. Members of the Examination Yuan shall be without party affiliations.

6. Concerning the Executive Yuan.

A. The Executive Yuan is the supreme executive organ of the State. The President of the Executive Yuan is to be appointed on the nomination of the President of the National Government and with the consent of the Legislative Yuan. The Executive Yuan is to be responsible to the Legislative Yuan.

B. If the Legislative Yuan has no confidence in the Executive Yuan as a whole, the latter may either resign or ask the President of the National Government to dissolve the former. But the same President of the Executive Yuan may not ask for the dissolution of the Legislative Yuan for a second time.

7. Concerning the Presidency of the National Government.

A. The President of the National Government may promulgate emergency decrees according to law when the Executive Yuan has so decided. But the action must be reported to the Legislative Yuan within one month.

B. The right of the President of the National Government to call the Presidents of the Executive, Legislative, Judicial, Examination, and Control Yuan into conference need not be written into the Constitution.

8. Concerning the system of local government.

A. The Province is to be regarded as the highest unit of local self-government.

B. The powers of the Province and the Central Government will be divided according to the principle of "a fair distribution of power."

C. The Provincial Governor is to be elected by the people.

D. The Province may have a Provincial Constitution, which, however, must not contravene the provisions of the National Constitution.

9. Concerning the rights and duties of the people.

A. All freedoms and rights which are generally enjoyed by the peoples of democratic countries should be protected by the Constitution and should not be illegally encroached upon.

B. If the freedom of the people is to be defined by law, it must be done for its protection and not with a view to restricting it.

C. Labor service should be provided for in the Law on Local Self-Government, and not written into the National Constitution.

D. The right of self-government must be guaranteed to minority peoples who live together in one particular locality.

10. A separate chapter on elections should be provided in the Constitution. Only those twenty-three years of age or over have the right to be elected.

11. Concerning fundamental national policies: A separate chapter in the Constitution should be devoted to fundamental national policies, including items on national defense, foreign relations, national economy, culture, and education.

A. The aim of national defense is to guarantee the safety of the Nation and preserve the peace of the world. All members of the Army, Navy, and Air Forces should be loyal to the State, love the people, and rise above all personal, territorial, and party affiliations.

B. Foreign relations should be carried on in a spirit of independence. Friendly relations with foreign countries should be promoted, treaty obligations carried out, the Charter of the United Nations Organization observed, international cooperation fostered, and world peace guaranteed.

C. Dr. Sun Yat-sen's principle of economic democracy (the Min Sen Chu I) should serve as the basis of the national economy. The State must see to it that he who tills the soil also owns it; that workers have jobs; and that enterprisers have ample opportunities to carry on their business. These things must be done in order to attain the twin objective of fairness and sufficiency in the national economy and the people's livelihood.

D. It should be the aim of culture and education to foster the growth of the national spirit, the democratic attitude of mind, and scientific knowledge and technique. The general cultural level of the people should be universally raised; equality of educational opportunity should be made a reality; freedom of learning should be guaranteed; and scientific development should be pushed forth with vigor.

NOTE: The provisions in the Constitution relative to paragraphs (a), (b), (c), and (d) should not go too much into detail.

12. Concerning amendments to the Constitution: The right to amend the Constitution shall be vested in a joint conference of the Legislative and Control Yuan. The proposed amendments should be passed by that body in which is vested the right to elect the President of the National Government.

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Basis for Military Reorganization and for the Integration
of the Communist Forces into the National Army

ARTICLE I -- COMMAND

Section 1. The President of the Republic of China being the Commander-in-Chief of the Armed Forces of the Republic of China exercises command through the Ministry of National Defense (or National Military Council). The commanders of the army groups and of the separate armies and the directors of the service areas herein provided for shall report to the Commander-in-Chief through the Ministry of National Defense (or National Military Council).

Section 2. The Commander-in-Chief shall have the power to appoint and relieve all subordinate officers provided, however, that in the event it becomes necessary during the process of the reorganization of the military forces to relieve the commander of any Communist-led unit or any Communist officer holding other position, the Commander-in-Chief shall appoint in the place of the officer relieved an officer nominated by the senior Communist member of the government.

ARTICLE II -- FUNCTIONS AND RESTRICTIONS

Section 1. The primary function of the Army shall be to defend the Republic in time of war. In time of peace the principal function of the Army shall be training. It may be employed however, to quell domestic disorders, but only as provided in Section 2 of this article.

Section 2. When, in the event of domestic disorders, the governor of a province shall have certified to the Council of State that the local civil police, and the Peace Preservation Corps have been unable to cope with the situation, the President, in his capacity as commander-in-chief, shall, with the approval of the Council of State, employ the army to restore order.

ARTICLE III -- ORGANIZATION

Section 1. The army shall consist of armies of three divisions each with supporting troops not to exceed 15% of their total strength. At the conclusion of 12 months the armies shall consist of 108 divisions of not to exceed 14,000 men each. Of these, 18 shall be formed from Communist Forces.

Section 2. China shall be divided into 8 service areas under directors responsible to the Minister of National Defense (or National Military Council) for the following functions within their respective areas:

The supply, quartering and pay of all military units located within the areas;

The storage, reconditioning and issue of the weapons and equipment

collected from demobilized troops within the area;

The processing of demobilized officers and enlisted personnel within the area and the continued processing of demobilized officers and enlisted personnel passing through the area en route to their homes or other designated destinations;

The processing and elementary training of individual recruits received within the area as replacements for the armies;

The supply of military schools within the area;

The service area directors shall have no authority or control over the armies located within their areas and they are specifically prohibited from interfering with or influencing in any way whatsoever civil administration or affairs;

Each army commander within a particular service area shall maintain in the service area headquarters his own representative to insure that the needs of the forces under his command are fully and expeditiously met;

There shall be a meeting every second month within each service area and presided over by the service area director. These meetings shall be attended by the army and division commanders, or their duly appointed representatives, of each army located within that area. A representative of the Ministry of National Defense (or National Military Council) shall also be present. The instructions of the Ministry of National Defense (or National Military Council) shall be presented, and the state of supply and similar matters of the service area discussed.

ARTICLE IV -- DEMOBILIZATION

Section 1. During the 12 months immediately following the promulgation of this agreement the Government shall demobilize all units in excess of 90 divisions and the Communist Party shall demobilize all units in excess of 18 divisions. The demobilization shall start immediately and shall proceed at the rate of approximately one twelfth of the total number to be demobilized during each month.

The Government shall prepare within three weeks of the promulgation of this agreement, a list of the 90 divisions to be retained and the order of demobilization of units during the first two months. The Communist Party shall prepare within three weeks of the promulgation of this agreement, a complete list of its military units stating character, strength, armament, names of brigades and higher commanders and location of units. This report shall include a list of the 18 divisions to be retained and the order of demobilization during the first two months. These lists shall be submitted to the Military Sub-Committee.

Six weeks after the promulgation of this agreement the Communist Party shall submit to the Military Sub-Committee a complete list of the army units to be demobilized and the Government shall submit a similar list.

On receipt of the foregoing lists and documents the Military Subcommittee shall prepare a detailed plan for the execution of this agreement and submit it for the approval of both parties. After such approval the lists, documents and plan shall be transmitted to the Ministry of National Defense (or National Military Council).

Section 2. The arms and equipment of the army units demobilized may be utilized to complete the arms and equipment of the army units to be retained in service. A detailed statement of such transfers will be submitted to the Ministry of National Defense (or National Military Council) by the Executive Headquarters. The surplus material will be stored as directed by that Ministry (or Council).

Section 3. In order to prevent large scale hardship or lawlessness arising as a result of the demobilization, the Government and the Communist Party shall initially provide for the supply movement and employment of their respective demobilized personnel. The Government shall take over unified control of these matters as soon as practicable.

Section 4. During the 6 months following the first 12 months the National divisions shall be further reduced to 50 and the Communist divisions shall be further reduced to 10 making a total of 60 divisions to be organized into 20 armies.

ARTICLE V -- INTEGRATION AND DEPLOYMENT

Section 1. During the first 12 months after the promulgation of this agreement there shall be organized 4 army groups each consisting of 1 National and 1 Communist army. Each army shall consist of 3 divisions. The schedule for establishing these army groups shall be as follows: One army group shall be organized during the 7th month; another the 9th month; another the 10th month; and another the 11th month. The staffs of the army groups shall consist of approximately one half National and one half Communist staff officers.

Section 2. The deployment of the armies at the end of the first 12 months shall be as follows:

Northeast China -- 5 armies each consisting of 3 National divisions, each army with a National commander and 1 army consisting of 3 Communist divisions with a Communist commander--total 5 armies.

Northwest China -- 5 armies each consisting of 3 National divisions, each with a National commander--total 5 armies.

North China -- 3 armies each consisting of 3 National divisions, each with a National commander; and 4 army groups each consisting of 1 National and 1 Communist army of 3 divisions. 2 army group commanders shall be National officers and 2 army group commanders shall be Communist officers--total 11 armies.

Central China -- 9 armies each consisting of 3 National divisions, each with a National commander; and 1 army consisting of 3 Communist divisions, with a Communist commander--total 10 armies.

South China (including Formosa) -- 4 armies each consisting of 3 National divisions, each with a National commander--total 4 armies.

Section 3. During the following 6 months the 4 army groups referred to in Section 2 above shall be reorganized, creating 4 separate armies each consisting of 1 National and 2 Communist divisions and 2 separate armies each consisting of 2 National and 1 Communist divisions. Thereafter, the organization of army groups shall be terminated.

Section 4. The deployment of the armies at the end of the second 6 months (i.e. at the end of a total of 18 months) shall be as follows:

Northeast China -- 1 army consisting of 2 National and 1 Communist Divisions with a National commander and 4 armies each consisting of 3 National divisions, each with a National commander--total 5 armies.

Northwest China -- 3 armies each consisting of 3 National Divisions each with a National commander--total 3 armies.

North China -- 3 armies each consisting of 1 National and 2 Communist divisions, each with a Communist commander; 1 army consisting of 2 National and 1 Communist divisions with a National commander; and 2 armies each consisting of 3 National divisions, each with a National commander--total 6 armies.

Central China -- 1 army consisting of 1 National and 2 Communist divisions with a Communist commander and 3 armies each consisting of 3 National divisions, each with a National commander--total 4 armies.

South China (including Formosa) -- 2 armies each consisting of 3 National divisions, each with a National commander--total 2 armies.

ARTICLE VI -- PEACE PRESERVATION CORPS

Section 1. Each province shall be authorized to maintain a Peace Preservation Corps in proportion to the population of the province but the strength of the Corps for any one province shall not exceed 15,000 men. After it has become apparent that the civil police of any province have been unable to cope with the situation, the governor of that province is authorized to employ this Corps to quell civil disorders.

Section 2. The armament of the Peace Preservation Corps shall be restricted to the pistol, the rifle and the automatic rifle.

ARTICLE VII -- SPECIAL PROVISIONS

Section 1. Executive Headquarters

The Executive Headquarters created in the agreement of the Committee of Three, signed 10 January 1946, shall be the agency through which this agreement shall be implemented.

Section 2. Common Uniform

A common distinctive uniform for the reorganized military forces of China shall be adopted for wear by all officers and enlisted men of the Army of the Republic of China.

Section 3. Personnel System

An adequate personnel system shall be established and the name, grade and assignment of each officer of the Army shall be carried on a single list without political prejudice.

Section 4. Special Armed Forces

Neither the Government nor any political party nor any group or association shall maintain, or in any way support, any secret or independent armed force, after the effective date of this agreement.

Section 5. Puppet and Irregular Troops

All troops which were maintained in China under the sponsorship, directly, or indirectly, of Japan and all troops maintained by persons or factions other than the Government or Communist Party shall be disarmed and disbanded as soon as possible. The detailed plan (Article VIII, Section 1) shall provide for the execution of the provisions of this section in a definitely limited period of time.

ARTICLE VIII -- GENERAL

Section 1. Upon approval of this agreement by Generalissimo Chiang Kai-shek and Chinese Communist Party Chairman Mao Tse-tung there shall be prepared and submitted to them for approval by the Military Subcommittee a detailed plan of the schedules, regulations and specific measures to govern the execution of the provisions of this agreement.

Section 2. It is understood and agreed that the detailed plans above referred to shall provide that the demobilization shall start at the earliest practical date; that the organization of service areas shall be instituted gradually and that the detailed procedure of the integration of armies shall be carried out under the provisions of Article F.

It is further understood and agreed that during the initial period of transition, the Government and the Communist party shall be responsible for the good order, the supply of their respective troops and for their prompt and full compliance with the instructions issued to them by the Executive Headquarters.

GENERAL CHANG CHIH CHUNG
Representative of the Government

GENERAL CHOU EN-LAI
Representative of the Chinese Communist Party

GENERAL GEORGE C. MARSHALL
Advisor

CHUNGKING, CHINA
February 25, 1946

STRATHMORE PARCHMENT

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