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FEAVER, JOHN HANSEN

THE TRUMAN ADMINISTRATION AND CHINA, 1945-1950: THE POLICY OF RESTRAINED INTERVENTION

The University of Oklahoma PH.D. 1980

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THE UNIVERSITY OF OKLAHOMA

GRADUATE COLLEGE

THE TRUMAN ADMINISTRATION AND CHINA, 1945-1950: THE POLICY OF RESTRAINED INTERVENTION

A DISSERTATION

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degree of

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BY

JOHN HANSEN FEAVER

Norman, Oklahoma

1980

THE TRUMAN ADMINISTRATION AND CHINA, 1945-1950:
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THE TRUMAN ADMINISTRATION AND CHINA, 1945-1950: THE POLICY OF RESTRAINED INTERVENTION

Introduction

Until fairly recently, existing interpretations of United States policy toward China in the period between 1945 and 1950 have contended that some form of public opinion and congressional pressure constituted important, even decisive, factors in the Truman Administration's formulation of that policy. Though they vary in attitude and emphasis as to episodes and details, two essential and conflicting assessments tended to emerge. One interpretation argued generally that the Truman Administration should have done more to save China from a communist takeover and that if more had been done the Nationalist government headed by Chiang Kai-shek would have been able to survive and eventually defeat its Chinese Communist adversary. Alas, the Nationalist government did not receive adequate support because, so this argument runs, "communists," "communist sympathizers," or "dupes" of communist propaganda in the State Department and the Truman Administration were in charge of deciding policy toward China--a policy calculated, or, at the very least, naively destined, to promote a Chinese Communist victory.

The other major assessment argued that strong American public sympathy for Chiang Kai-shek in general, and his congressional backers (the "China bloc") in particular,

forced the Truman Administration to continue to aid the Nationalist government after 1946 (subsequent to the American effort to mediate the conflict between the Kuomintang and Chinese Communist Parties) despite the Administration's better judgment and policy preferences to withdraw support from what it considered to be a losing cause. This view further proclaimed that in 1949 and 1950 Chiang's American supporters (the "China lobby") kept the Administration from severing its ties with the Nationalists on Formosa as a necessary prerequisite to the official desire to recognize the newly formed Chinese Peoples Republic on the mainland.

Both of those assessments emerged in the period prior to the release of those documentary materials bearing on the question. Operating essentially in the blind, therefore, each faced the problem of speculating on why the Truman Administration had remained committed to the Nationalist government after 1945 and until Chiang's regime was driven from the mainland by the Chinese Communists in 1949 even though that commitment was clearly insufficient to save the regime; and on why the Administration had professed a determination after 1947 to "contain" communism on a global basis while at the same time refusing to grant adequate resources to do the job in this important region of the world.

The first of the interpretations explained this contradiction by arguing that pro-Chiang Kai-shek sentiment

in the United States was sufficient to force the Administration to continue to give some support to the Nationalist government from 1945 to 1950 in spite of the machinations of "communist sympathizers" in the State Department. This communist conspiracy theory flourished in the climate of McCarthyite extremism of the late 1940's and early 1950's and is a political interpretation not supported by a review of the documents.

The second major interpretation resolved the same contradiction by arguing that the Truman Administration after 1946 actually wished to extricate the United States from the situation in China and to sever its relationship with a corrupt and ineffective Chinese government but was unable to do so for fear that it would cause a storm of domestic protest. Unwilling to "get in", so to speak, and, at the same time, unable to "get out", this view saw constraints on assistance to Chiang's regime as the means by which the Administration sought to negotiate a troublesome line between, on the one side, avoiding an excessive waste of the nation's resources in a hopeless cause and, on the other, holding at bay political opponents and policy critics.

Prior to the recent release of government documents, this assessment of Truman China policy was compelling. Over the past several years, however, the availability of many new documents has made it necessary to take another look at the problem. Among these are the papers of the

White House and the State Department for 1945-1950; the Departments of War and Navy for 1945-1947; the Defense Department for 1947-1950; the State-War-Navy Coordinating Committee for 1945-1947; the National Security Council for 1947-1950; the Treasury Department for 1945-1950; the Office of Strategic Services for 1942-1945; the Office of Intelligence Research for 1946-1950; the Central Intelligence Agency for 1947-1950.

The accessibility of these documents led the author to undertake the present study. The initial intent was to determine more precisely to what degree and in what ways domestic public opinion influenced the decisions of the Truman Administration toward China after World War II. As the survey of the documents progressed, however, it became clear that at no time in the period from the end of World War II to the beginning of the war in Korea did decision makers seriously entertain the option of cutting off American support to Chiang and the Nationalist regime and for reasons which had virtually no direct relationship to public opinion. As a matter of necessity, therefore, the study began to shift away from being concerned primarily with the question of the effect of public opinion and toward the general problem of identifying, to the extent possble, the full range of those factors involved in the Administration's formulation of its China policy.

The study begins with a survey of the essentials of United States wartime policy toward China after 1943. It starts here because decisions made in the last two years of the war go a long way toward explaining the Truman Administration's commitment to assist in resolving China's internal problems in the immediate aftermath of the conflict. Subsequent to this initial commitment, the basic contention of this study is that, for military and strategic reasons arising out of the concern about Soviet expansionism, the Truman Administration never seriously considered withdrawing from China prior to the Korean War.

The study terminates with the beginning of the Korean conflict despite the fact that increasing numbers of previously classified documents concerning China are now open for all of 1950 and 1951. This is because Korea appeared to confirm Administration officials in their earlier decisions to support the rump Nationalist government on Formosa and to refrain from recognizing the newly established Communist regime in Peking. The North Korean attack, in sum, eliminated flexibility and set in place the basic elements of American policy toward China for the following two decades.

CHAPTER I

THE WARTIME ORIGINS OF AMERICAN CHINA POLICY

The fundamental wartime concern of the American government toward the East Asian mainland was how to encourage the most effective native resistance against the Japanese occupation of China. The essential objective was a military one and to this end there appeared little initial prejudice against considering whatever means might prove available and useful. Accordingly, as early as the Fall of 1943, General Joseph Stilwell, Commander of American forces in China, advised Chiang Kai-shek that he should consider making use of Chinese Communist military strength in North China.[1]

By the Spring of 1944 the feasibility of supplying the Communists was a serious topic of discussion in Washington.[2] But Communist political and military independence posed a significant problem for American policy: In view of the intense animosities and suspicions present between Chungking and Yenan, how could use of the Communist forces be worked into the existing political and military relationship between the United States and the Nationalist government? Accordingly, the Roosevelt Administration determined to find some basis for unifying Nationalist and Communist forces under the command of General Stilwell, in hopes of prosecuting the war in China more effectively.[3]

Some foreign service officers in China refused to accept the task of creating a unified command as the exclusive problem for American policy. They proposed that the United States might supply aid directly to the Communists irrespective of American ties to the Nationalist government.[4] Actually the multiple arguments of these individuals have been arbitrarily intermingled to such an extent that it appears there was a more strict homogeneity of attitudes than was really the case.

Some suggested, out of expediency, that since the essential wartime objective was victory over the Japanese, then the military resources of the Chinese Communists should be tapped to the fullest extent possible. If direct and independent aid was the best way to accomplish this then a program of support to the Communists should be initiated.[5]

These foreign service officers did not rest their argument on expediency alone however. They interspersed their views with complaints about the Nationalist government, accusing it of pervasive corruption and of civil and military inefficiency and ineptitude. They criticized the Nationalist leadership for deliberately avoiding an effective prosecution of the war against Japan. They suggested that Chiang and his generals appeared to want the United States to carry the main burden in the Pacific island war while the Nationalists stockpiled lend-lease supplies either

for their own corrupt purposes or in anticipation of a future conflict with the Communists. These evaluations were basically correct.[6]

In contrast the Chinese Communists were depicted as organizationally effective. They were seen as honest administrators who commanded military forces which displayed some greater willingness to fight the Japanese.[7] This proposition may not be altogether accurate. Communist underground operations behind Japanese lines were more imaginative and extensive than Nationalist efforts. Communist guerilla operations were more effective. Yet on a purely quantitative basis Nationalist forces suffered the brunt of fighting the Japanese. And, the Chinese Communists appeared to be just as intent as the Nationalists in conserving their energies for a future show-down -- an event which both not only expected, but undoubtedly always intended should take place.[8]

Be that as it may, this group of foreign service officers thus argued that, because of its corruption and inefficiency, the question of aid to the Nationalists ought to be carefully reviewed. Was it in the best wartime interest of the United States to continue to give aid exclusively, or even at all, to the Nationalist government? In order better to achieve the military goal of victory over the Japanese, might it not be wise to give aid outright to the

Communists or at least threaten to do this, so as to pressure the Nationalist government into a more effective fighting posture? Generally they counseled that the United States should not tie itself rigidly to Chiang Kai-shek. Nothing was sacrosanct about the power structure of the Nationalist government. If the regime refused to comply with the priorities of American policy there ought not be any inhibition against giving aid to some other political figure or group in China - including the Chinese Communists - which demonstrated a greater willingness to do the job.[9]

A third aspect of this line of argument related more to the issue of American postwar policy toward China and the question of the nature of the relationship between the Soviet Union and the Chinese Communists. American aid to the Communists might disrupt an otherwise cozy postwar relationship between the Soviets and the Yenan rebels, some suggested. The argument was that the prospect of American aid would prove appealing to the patriotic sensibilities of the Communists. Through continuing association with Yenan, Washington might be able to tie the Communists into its postwar aims for China. This proposal was designed to counter the prospect of future Soviet aid to the Chinese Communists by buying the goodwill on Yenan with American dollars.[10]

A few in this group of foreign service officers, it is true, did tend to sustain more sanguine opinions about

the "democratic" propensities of the Chinese Communists than were warranted by the facts.[11] But such opinions were understandable enough given the wartime situation which pitted the forces of "democracy", including the Communists, against the forces of "fascism". Indeed, certain characteristics of the Nationalist regime did bear an uncomfortable resemblance to the attitudes and practices found so unpalatable in the Axis governments![12]

In measuring the miserable wartime conditions under which the common people lived against the nearly complete disregard of the Nationalist government for their plight, it was not surprising that some American Embassy officials saw the Communists, who seemed to take a greater interest in the welfare of the people in areas under their control, as the more decent social and political alternative. The fact that Yenan's political procedures and social and economic policies had the appearance of being significantly more egalitarian than those of the Kuomintang seemed to some to warrant, at least in a strictly Chinese context, the use of the label "democratic" in describing the Chinese Communists.[13]

The arguments of these several foreign service officers are reproduced here to underscore the fact that policymakers never seriously considered accepting this series of related arguments and concomitant policy proposals. Actual policy resulted from a quite different set

of assumptions. However, this is not to say that the reporting of this group of American diplomatic officers in China was totally without effect on high echelon thinking. The criticisms of the Nationalist government which appeared to derive in part from political objections to the regime were not persuasive. The anti-authoritarian attitudes of a few foreign service officers undoubtedly proved consistent with the personal political proclivities of some Washington officials. Such views, however, were too "soft" to be allowed to subvert the harsh reality of expediency in the process of wartime decision-making.

The political tendencies of a particular government, Right or Left, were an inconsequential issue in the presence of the need to utilize all resources available in the war against the Axis.[14] Washington's support of Chiang Kai-shek derived from an assessment -- as we shall see -- of his indispensability to the war effort, the same pragmatic calculation which led Roosevelt and his advisers by 1944 to seek to utilize Communist power in North China. By the same token, in this manner of thinking, American support could be withdrawn from Chiang in the event Administration officials deemed it necessary to find a more effective alternative. They never did.

The less subjective assessments that the Nationalist government displayed gross functional ineptitude and inefficiency, that the regime was pervasively corrupt and

prone to chronic maladministration, had more effect. However, this was the general thrust of reports reaching Washington from the entire American diplomatic and military establishment in China. American journalists submitted corroborating stories to their stateside publications.

There is little doubt these criticisms began to fit into the attitudes and assumptions of officials involved in the process of developing American policy toward China. Even as the war continued, some in Washington questioned the advisability of giving certain types of aid to the Nationalist government unless it demonstrated some greater willingness to revise deficient monetary policies. Treasury officials felt that Chinese procedures of fiscal accountability would have to be tightened and reliable officials appointed to administer the government's financial outlay if the Nationalists were to have any hope of controlling rampant inflation.[15]

The necessity of keeping Chungking in the war, however, moderated the harshest implications of these criticisms of corruption and inefficiency. There was no question but that expediency required sufficient American assistance to sustain the military-strategic function of the Nationalist government. To what degree American aid might be tied eventually to the requisite promise of fiscal and administrative reform by the Nationalist government was an issue, for the moment, held in reserve until after the war.[16]

The idea that the attitudes and affiliations of the Chinese Communists could be significantly influenced by American aid also had its impact on official thinking in Washington. The effect though, was less than unequivocal. On the one hand, it appears that whatever optimism existed, in high official circles regarding the prospect of achieving an integration of Nationalist and Communist forces under a unified command, was predicated in part on the view that the Communists would find the idea of United States aid attractive.[17] And this same argument would prove important after the war in reviewing the possibilities for achieving a political settlement in China aiming toward a coalition government. Officials hoped the promise of American economic aid to China as a "reward" for the Kuomintang and Communists settling their differences peacefully might divert the latter from seeking to overthrow the Nationalist government by force.

But officials in Washington were never able to accept as more than a dubious proposition the concept that direct American aid to the Chinese Communists might subvert their real or imagined political affiliation with the Soviet Union. The question of the possible effects of direct aid to the Chinese Communists is, in retrospect, an intriguing one. And, it should be observed, those State Department personnel in China were perfectly in accord with their official responsibilities in making this suggestion to

Washington. It was an option which should have been explored. But whatever the merit of such a policy suggestion, it could not hope to fit in to the higher decision-making pattern which then prevailed in Washington.[18]

There were compelling reasons why direct or independent aid to the Chinese Communists was not considered seriously as a workable option for American policy; why American policy makers did not respond to the suggestion of threatening to cut off aid in order to pressure Chiang to move in more preferred directions; or, why the idea of dropping Chiang in favor of supporting another personality or political faction in China did not generate much enthusiam in Washington.

Of major importance was the fact that throwing support to Yenan ran counter to established American policy toward China. The Nationalist regime enjoyed international recognition as the legal government of China and had since 1928. Since its inception, that government had been the sole repository for all American support. During the war, Roosevelt referred to the Nationalist government as one of the "Big Four" in context of innumerable statements alluding to the principal role that China was expected to play in helping to create stability in East Asia after the war. There was a powerful momentum of propriety and legitimacy in these aspects of the fifteen year existence of the Nationalist government which American decision-makers found difficult to ignore in their deliberations over China policy.[19]

Chiang Kai-shek's prestige as a loyal ally and national leader of the resistance against Japanese aggression within and outside of China continued to be enormous. Chiang Kai-shek was the Nationalist government. There were no other political personalities in China of anywhere near comparable stature, including the Communist leadership. Even the Soviets agreed with this and said so repeatedly.[20] What if Chiang Kai-shek were eliminated from his dominant position in Chinese politics? Whatever cohesion the government possessed derived from the complex set of relationships based on obligation, expediency, convenience, advantage, and personal loyalty that in critical times so often traditionally characterized the Chinese political experience and which now focused on his indispensable presence. In Chiang's absence the whole edifice of the Nationalist government was likely to come tumbling down. The arguments of a few State Department personnel in China that Chiang was expendable did not find a large audience among decision-makers in Washington.[21]

Besides, so long as the war continued not all the political leverage in the Washington-Chungking relationship rested with the former. Beyond the obvious consideration of just how successfully the foreigner could expect to manipulate and revise the internal power structure of China there was also the question of what Chiang Kai-shek's reaction

would be to such manner of meddling. If sufficiently alienated by an excess of American pressure, might he not consider making an independent peace with Japan? Such a development would have catastrophic effect on plans for an invasion of the Japanese home islands. And, as a device by which to sustain American attentions, it was not beyond the keen Chinese sense of the value of images in the art of political maneuver to allow such a threat to tease the perceptions of American officials in China until the end of the war.[22]

Moreover, this series of pragmatic calculations concerning the necessity of continued support to Chiang and his regime was re-enforced further by long-standing and well-cultivated images and illusions about the Generalissimo and his government which convincingly affected the views of many Americans. Placing severe qualifications on aid, to cease giving it all together, or to redirect it, would be denying a government which appeared to many Americans to symbolize the whole array of ties between China and the western world: intellectual, political, economic, social, even religious ones![23] Such perceptions, marvelously over-drawn and largely ignoring the degree to which classical Chinese orientations continued to prevail in Chiang and the Nationalist government, overwhelmed the subtle irony that it was the Chinese Communists who accepted enthusiastically a philosophy of society and history more thoroughly Western in its cultural provenance.

As Kenneth Shewmaker has wonderfully illustrated, many Americans who had direct contact with the Yenan during the war did sense there was something in Communist attitudes and practices compatible with their own political experience.[24] But however much the progressive qualities of the Chinese Communists might be extolled they still appeared to be a subsidiary quantity in Chinese politics and there was no denying the Marxism-Leninism to which they professed. Indeed, despite the suggestion of some, there never developed any sustained inclination in either the Roosevelt or Truman Administrations to believe the Chinese Communists were anything other than Marxist revolutionaries. Furthermore, Washington never accepted as accurate the logic of those reports from certain American diplomatic personnel in China describing the Communists as "democratically" inclined and therefore fit recipients for American aid.[25]

Nonetheless, it is important to add, though Marxism-Leninism had been rejected by American tradition and culture as revolutionary and a dangerously inappropriate political philosophy, this did not rule out entirely direct and independent aid to the Chinese Communists. Though it would be very different after the war, so long as the conflict continued, there was no political-philosophical inhibition in Washington to the grant of aid to Yenan if the goal of victory appeared to demand it. For example, it might happen that Chiang would refuse to sanction any formal

Nationalist association with the Communists. Yet there was a distinct possibility it would prove necessary to land American forces in the coastal northeast in conjunction with an invasion of the Japanese home islands. In this event, and if Chiang refused to cooperate, direct and independent aid to the Communists might be given if it could be determined that such aid would enhance the success of American operations in North China.[26] The landing, though, was not made and independent aid was never given. If this had happened, the course of East Asian history after 1945 might have moved in a dramatically different direction.

These considerations, then, set limits to policy options. Chiang Kai-shek in particular and the Nationalist government in general were the indispensable determinants of the United State's equation for China. The seemingly unassailable legitimacy of both demanded their recognition as the central focus of American policy. The question remained in the Summer of 1944, therefore, how the problem of the political and military independence of the Communists might be solved and a unified command of all Chinese forces be created.

There was also a related consideration of extraordinary importance. Communist independence was not simply an obstacle to a unified command and more effective prosecution of the war in China. It was also a dramatic manifestation of the many years of bitterness that had passed between

Nationalists and Communists and the reflection of a mutual awareness that the finale of their violent competition was close.[27] Civil war would have a disastrous effect on the strategic planning of the Pacific war against the Japanese. Nationalists preoccupied in a conflict with the Communists would release the supposed powerful Japanese Kwantung army in Manchuria as well as other units for defense of the home islands. The cost of the American assault might exceed the already projected million casualties. Unified command was important, therefore, not only to enhance resistance against Japan but as well to avoid the chaotic disruption of civil war.

But there were obstacles to military unification. Stilwell and the Generalissimo did not get on well. Indeed, hostility between the two by 1944 probably had reached unbridgeable proportions. Both the Generalissimo and the Communist leadership profoundly distrusted one another. Neither found the idea of a unified command attractive.

Despite these distractions the plan was important and in the Spring of 1944 Vice President Henry Wallace traveled to China in an effort to induce Chungking and Yenan to begin productive negotiations.[28] In the Fall Roosevelt sent his special representative, Patrick J. Hurley, to mediate the feud between Stilwell and Chiang and to arrange for the former's effective assumption of command of all Allied forces in China including the Communists.

Hurley clearly understood that the organizational problem of unifying the military forces of both sides would also require a political settlement between the two. To this end Hurley also sought to assist in developing some basis for a compromise leading toward the formation of a coalition government, a goal which was a part of the oral instructions given him by Roosevelt.[29]

But an extensive consideration of the postwar implications of a lasting political settlement was not included in Hurley's preoccupation with more immediate tasks. His were wartime objectives, specifically, how to get Stilwell in command of all Allied forces. So long as the war continued the question of American postwar China policy was left largely in the realm of generalities. First military victory and then the problem of a lasting political settlement seemed in Hurley's (and the American) view the logical order of business.[30]

There were statements of hope and aspiration for the postwar era: Roosevelt's "Big Four" references; how welcome a peaceful world would be, and, in this regard, how China would prove to be the stabilizing influence in Asia. To this end there was talk about an American postwar policy which would promote stability, unity and democracy in China. And stability, unity and democracy could be achieved through the creation of a coalition government to which all political factions in China, including the Communists, would have effective access.[31]

But this was talk and had little bearing on the purpose and methods of the American presence in China prior to August 1945. High echelon preferences for postwar China were linked only marginally to specific wartime efforts to manipulate conditions there. There was little or no thought as to what kind of American involvement in China might be necessary after the war in order to guarantee, or even promote, stability, unity and democracy. Consequently, Hurley's efforts to achieve a political settlement between Chungking and Yenan never went beyond the preliminary stage.

Nonetheless, American officials did have a sense of what general international pattern of affairs they wanted to prevail in East Asia after the war. The Japanese defeat would create the need for a rearrangement of the international power structure in the region. The idea of a stable, unified and democratic China was an important element in this thinking. The Chinese ingredient was especially important in view of the projected Soviet entry into the war against Japan. From that point on, East Asian politics would have to contend with a Russian military and political presence of an even greater magnitude than that experienced before the Russo-Japanese War in 1904 and 1905. Because of this anticipated condition, in the absence of a stable and unified postwar China, and short of an extended American military occupation, the Soviet Union could be expected to

attempt to extend its influence, possibly even direct control, throughout China and, as a consequence, indeed the entire East Asian mainland. Such an eventuality would not reflect the many specific American interests in the area nor indeed fulfill the general goal of achieving international stability based on a reasonable balance of national interests.[32]

It was at Yalta in February of 1945 that the Roosevelt Administration first sought to translate the American concern for postwar China and East Asia into some more solid agreement between the Great Powers. The participants of the Conference intended to settle a variety of issues relating to Europe and Asia. In East Asia, the major question was that of the Soviet entry into the war against Japan.[33]

American officials assumed, once Germany was defeated in Europe, that the Soviet Union would move quickly to press its advantage against the shambles of the Japanese empire. In the presence of the inevitable, however, the Roosevelt Administration sought to expedite Soviet involvement in the Asia war. American military planners argued that it was vital to ensure that Japanese armies on the Asian mainland not be available for defense of the homeland. The Chinese by themselves - even under a unified American command - could not be expected to keep the Mikado's troops

stationed in China sufficiently preoccupied during an American invasion of Japan. Even with Soviet support, casualty estimates were alarmingly high. Unless Soviet strength could be counted on to contain Japanese forces in Manchuria and Korea the projected invasion could prove to be a Pyrrhic victory.[34]

However, resolving this matter of strategic necessity created political dilemmas. Because participation in the war against Japan would provide the Soviets with a major influence in East Asia, and in the processes of a postwar political settlement, the essential problem was how to accommodate this influence in a manner recognizing all relevant factors requisite to establishing political stability in the region.

The outcome at Yalta in part reflected the preliminary effort by the Roosevelt Administration to develop some reasonable diplomatic basis aiming toward negotiation of a more permanent East Asian settlement. In response to the Soviet demand, Roosevelt's willingness at Yalta to grant territorial concessions and special rights in the area was, in the immediate circumstance, an enticement to insure the Russian entry into the war as quickly as possible. But, it was also a reflection of a desire to define and agree more clearly upon a reasonable relationship between the realities of Soviet power and the political consequences of its exercise; to adjust properly the perceived inclinations of

Soviet policy to the essence of the American interest in East Asia.[35]

In this regard, the granting of territorial concessions and special rights was the American concession to the Soviet claim of its national interest in the region. In return the Soviets did confirm plans to enter the war against Japan, thereby fulfilling the necessities of American military strategic planning. Equally important, however, Stalin also agreed to recognize and support, materially and morally, the ruling legitimacy of the Nationalist government in China.

Soviet recognition of the Nationalist government accommodated the several disparate levels of the American wartime concern for China and East Asia. In context of combat necessity Yalta appeared to reinforce Hurley's efforts to unify all Chinese military forces. In addition to promises made to American officials by Stalin and Molotov in Moscow in the Fall and Spring of 1944 and 1945, it was another form of reassurance that the Russians would not seek to exploit the Soviet-Chinese communist connection - whatever its nature - to the disadvantage of American wartime policy.[36]

The Soviet recognition also seemed to validate the preponderance of official thinking that Chiang Kai-shek and the Nationalist government were indispensable components of the American approach to China. In another respect Stalin's

acquiescense on the question of the legitimacy of the Nationalists appeared to imply that he was satisfied the concessions received at Yalta were sufficient recognition of the Soviet interest in East Asia. At the very least, and even if the Far Eastern accords failed to achieve little else, a formal recognition of the government in China established limits in a situation which otherwise would prove more convenient to Soviet aggrandizement.[37]

Finally, the Yalta concessions to Stalin and his pledge of support to Chiang appeared to establish the provisional foundation for a postwar international settlement in East Asia. If Stalin was indeed satisfied with the Yalta councessions, then Chiang could be satisfied to have Soviet as well as American backing after the war. And if both leaders proved well enough pleased with this state of affairs, the Roosevelt administration could feel reasonably comfortable in guessing that the Yalta accords went a long way toward creating the prerequisites for an acceptable postwar balance of national interests in East Asia - a condition which American officials believed imperative for stability and lasting peace in the region.[38]

Roosevelt agreed to convince Chiang Kai-shek of the merits of the Soviet-American arrangement at Yalta. The Generalissimo would be told the particulars at the proper time and encouraged to reproduce them in a formal agreement with the Soviet government. Roosevelt's death in mid-April

changed nothing. The fledgling Truman Administration would advise the Nationalists to enter into negotiations with the Soviets. Accordingly the Chinese were encouraged to send representatives to Moscow for discussions in the Summer of 1945 and a Sino-Soviet treaty was signed in August.

In fact the Truman Administration appeared to accept without much question the entire complex of established official thinking on China and East Asia. But that was not surprising. There was no inclination to alter policy orientations. There was substantial continuity of decision-making personnel responsible for policy. Nor, in the critical context of an ongoing world war, was it a proper time to change directions. The composite precedent of strategic and tactical planning, and the momentum of operations commensurate with planning, constituted an overwhelming image of necessity.[39]

In summary, by the time of the Japanese surrender, the essentials of postwar American China policy were already present. The Nationalist government would continue to exist as the central institutional focus for the Truman Administration approach. Effort would be made through the personnel of the American Embassy to facilitate bringing the Kuomintang and Communists together within a Nationalist government revamped so as to provide genuine coalition opportunities. An effective coalition government would then operate to achieve and maintain those conditions of unity, stability and democracy -- the general goals of American China policy.

The outcome of the Yalta Conference and the Sino-Soviet treaty constituted the Soviet pledge of support for this general American intention. The Yalta and Russian-Chinese agreements would exist also as the postwar foundation for a final amicable political adjustment of all relevant interests in the region. These agreements together with a general thrust of United States policy appeared to American decision-makers to recognize the essential components of the situation: the Soviet territorial and strategic interest in East Asia; the interests of Chiang Kai-shek and the Nationalist government in the fact of Major Power backing; the interest of the Chinese Communists mirrored in the mediation efforts of Ambassador Hurley; and, as a result, the American interest contained in the apparent existence of a basis for achieving American priorities in China and for creating a reasonable balance of the several national interests in the region. The necessary ingredients being present, all that remained was for the interested parties to bring these separate threads of American policy together by negotiating a satisfactory arrangement of the details.

[1]See, Barbara W. Tuchman. Stilwell and The American Experience in China, 1911-1945 (New York: Macmillan Co., 1972), 590-591; Russell D. Buhite. Patrick J. Hurley and American Foreign Policy (Ithaca: Cornell University Press, 1973), 145-146.

[2]See, U.S. Dept. of State, United States Relations With China With Special Reference to the Period 1944-1949 (Washington, D.C., 1949), 60-68. Hereafter cited as, China White Paper.

[3]Ibid., 53-60; Tuchman, Stilwell, 591-592.

[4]The individuals referred to here are John Stuart Service, John P. Davies, Jr., Raymond P. Ludden and John K. Emmerson. These FSO's had been assigned by the State Department in 1943 and 1944 to General Joseph Stilwell's command as political advisers. Although officers of the State Department, their relationship to the American Embassy was always somewhat ambiguous because of their assignment to Stilwell. See, Herbert Feis. The China Tangle: The American Effort in China from Pearl Harbor to the Marshall Mission (Princeton: Princeton University Press, 1953), 256-260; Buhite, Hurley, 181.

[5]See, excerpts from the wartime reporting of John P. Davies, Jr., in China White Paper, 574-575.

[6]See, excerpts from the wartime reporting of John Stewart Service, in Ibid., 567-572.

[7]See, excerpts from the wartime reporting of both Service and Davies, in Ibid., 566-567.

[8]It is of interest to note an Office of Strategic Services intelligence report of May 1943 based on information supplied by an English citizen who had been living with the Chinese Communists since the Japanese attack on Pearl Harbor and considered by the OSS to be an "extremely reliable" source of information. The informant argued that criticism of the Communists for not fighting more against the Japanese was "based on ignorance"; that Communist tactics were dictated by severe shortages of arms and ammunition; that while the Communists made numerous local and small-scale raids against the Japanese, they did not have the weapons capability to make large-scale raids for the purpose of destroying Japanese communications and fortifications; that if the Communists were supplied with a "few" automatic weapons, light artillery, rifles and ammunition, they would be able to do a great deal more damage to the Japanese position in North China. Office of Strategic Services, Research and Analysis Branch, "The Guerrilla Front in North China", 21 May 1943, R & A Report No. 892, I/11. O.S.S./State Department Intelligence and Research Reports. Paul Kesaris, ed. (Washington, D.C.: University Publications of America, Inc., 1977). Hereafter cited as UPA. Since these documents

appear in microfilm form the microfilm reel number and the document number are indicated in the citation, as shown above "I/11"; Concerning this factor of a Chinese Communist shortage of weapons, see, also, Memorandum of Mr. Augustus S. Chase of the Division of Chinese Affairs, 22 September 1944, in U.S. Dept. of State Foreign Relations of the United States (Washington, D.C., 1967), VI, 583. Hereafter cited as F.R., 1944, VI. It is of further interest to observe a mid-December 1944 O.S.S. report that, in view of the Japanese offensive then underway and because of the imminent possibility that Chungking might fall, thus to precipitate the dissolution of the Nationalist government, there existed, according to the report, considerable incentive for the Chinese Communists to husband their resources in anticipation of moving into the political vacuum and gaining power, subsequent to the Japanese defeat. Office of Strategic Services, Research and Analysis Branch, "Political Appreciation of the Situation in China", 18 December 1944, R & A Report No. 2777, II/9, UPA.

[9]See, excerpts from the wartime reporting of Davies, Service and Raymond Ludden, in China White Paper, 573-576.

[10]See, excerpts from the wartime reporting of Davies and Service, in Ibid., 564-566, 573-574.

[11]John Stewart Service wrote in early August 1944, "...although the Chinese Communist Party aims at eventual socialism, it hopes to arrive at this, not through a violent revolution, but through a long and orderly process of democracy and controlled economic development. This democracy will be of a progressive -- or what would generally be called radical -- type. The first is essential to the second: the desired economic development can come about only under democracy." Report by the Second Secretary of the Embassy in China, 3 August 1944, F.R., 1944, VI, 565; John P. Davies, Jr., did not go nearly so far in his assessment of the Chinese Communists, calling them "backsliders" on ideological matters, "nationalists" and willing to make "expedient compromise" on doctrinal matters if it meant that some advantage might be gained in the quest to advance the Party's interests. He did believe, as of the Fall of 1944, however, that the Chinese Communists had come to the conclusion that the interests of the Party could "be attained only through prolonged evolutionary rather than immediate revolutionary conversion." Memorandum by the Second Secretary of the Embassy in China, 10 October 1944, ibid., 708-711.

[13]See, A. T. Steele. The American People and China (New York: McGraw-Hill Book Co., 1966), 24-27.

[14]There was no dearth of information reaching Washington from the Embassy in China as to the distinctly undemocratic character of Chiang's regime. Nor for that matter was there any shortgage of information on the political-theoretical propensities of Chiang himself. See, for example, O.S.S. reporting on the 1943 publication of Chiang's, China's Destiny. Office of Strategic Services. Research and Analysis Branch, "China's Destiny -- by Chiang Kai-shek", 15 July 1943, R & A Report No. 951, I/15, UPA.

[15]See, for example, Memorandum by the Secretary of the Treasury, 8 May 1945, in China White Paper, 504-505; Before the end of the war in Asia in 1945, John D. Sumner, State Department Adviser on Economic Affairs wrote, "While political reforms cannot be made an absolute condition of economic aid, China should be made to realize that the United States cannot be placed in the position after the war of extending generous assistance to a government which does not accumulate popular support, or which persists in reactionary measures." Memorandum by John D. Sumner, no date, 1945 (pre-VJ), Sumner Papers, Box 1/China Files/ A-Ch, Harry S. Truman Library, Independence, Mo.; See also, Johnathon Spense. To Change China: Western Advisers in China, 1620-1960 (Boston: Little, Brown and Co., 1969), 242, 248-249; Memorandum of Conversation by the Chief of the Division of Chinese Affairs, 13 March 1945, in U.S. Dept. of State, Foreign Relations of the United States (Washington, D.C., 1969), VII, 1065. Hereafter cited as F.R., 1945, VII; Memorandum by the Treasury Representative in China, 19 March 1945, ibid., 1068-1071; The Charge in China to the Secretary of State, 11 March 1945, ibid., 1063; Memorandum by the Secretary of the Treasury to the Chinese Minister of Foreign Affairs, 8 May 1945, ibid., 1081-1083; Memorandum by the Director of the Office of Financial and Development Policy to the Secretary of the Treasury, 16 May 1945, ibid., 1088; See, also, Memorandum by the Director of the Office of Strategic Services to the President, 15 May 1945, President's Secretary Files, Box 173, Truman Papers, Harry S. Truman Library, Independence, Mo.; Memorandum by the Acting Secretary of State to the Secretary of the Treasury, 16 May 1945, ibid. In both of these latter documents, the point is made that American gold shipments to China would have no appreciable effect on rampant inflation under existing economic and wartime conditions. The O.S.S. report refused to charge the government with official corruption on economic matters though it found much "private activity in this realm."; See, also, Office of Strategic Services, Memorandum for the President, 15 May 1945, File R/307F, Declassified Documents Reference System. Hereafter cited as DDRS. Office of Strategic Services, Memorandum for the President, 12 May 1945, File R/ 307E, DDRS. Regardless of the futility of further gold shipments from a purely economic standpoint, the State Department nonetheless argued in favor of further shipments as a measure to keep the Chinese in the war.

[16]In an early September 1945 memorandum, George M. Elsey, then a Naval Reserve Officer assigned to White House duty (he worked in the "Map Room", which sent all outgoing messages and received all incoming messages to the White House during the war) noted the tremendous wartime importance of keeping Chiang in the war, suggesting that all American promises of postwar aid to Chiang followed from the fact that, "The President was using every means at his command at the time to prevent Chiang's government from collapsing." Memorandum by George M. Elsey, 3 September 1945, Truman Papers, Box 173/Presidential Secretary Files, Harry S. Truman Library, Independence, Mo. Hereafter cited as HSTL; See also, The Acting Secretary of State to the Secretary of the Treasury, 16 May 1945, F.R., 1945, VII, 1089.

[17]There really are no explicit statements in the documents that the Chinese Communists would rush with open arms to accept American aid simply because it was offered, thus to agree to integrate their military forces with those of the Nationalists. Officials always assumed that the Kuomintang would have to make significant political concessions in order to moderate Chinese Communist suspicions of their long time adversary to a degree sufficient to bring them into a unified military command.

[18]In a mid-March 1945 conversation with General Albert C. Wedemeyer, the Chief of the Division of Chinese Affairs, John Carter Vincent, observed that "...the recommendation of material aid to Communist forces was clearly premised on an assumption that they could be effectively used against the Japanese." If this assumption was incorrect, Vincent went on, then the, "...recommendation required no further consideration." Vincent then suggested that whereas the military and political advantages of reconciling Kuomintang and Communist differences were obvious, he personally, "...could see no political advantage to be gained from aiding the Communists in the absence of Chinese unity." Memorandum of Conversation by the Chief of the Division of Chinese Affairs, 12 March 1945, F.R., 1945, VII, 271.

[19]See, Ernest R. May. The Truman Administration and China, 1945-1949 (New York: J. B. Lippincott Company, 1975), 5-6; See also, China White Paper, 10-37, 59-71.

[20]Ibid., 71-72, 94-98; The Ambassador in China to the Secretary of State, 4 February 1945, F.R., 1945, VII, 851-852; The Acting Secretary of State to the Ambassador in China, 9 June 1945, ibid., 897; Memorandum of Conversation by the Acting Secretary of State, 14 June 1945, ibid., 901; The Charge in the Soviet Union to the Secretary of State, 17 April 1945, ibid., 338-341; Memorandum of Conversation by the Deputy Director of the Office of Far Eastern Affairs, 19 April 1945, ibid., 341-342; The Charge in the Soviet Union to the Secretary of State, ibid., 23 April 1945, 342-344.

[21]The Chief of the Division of Chinese Affairs wrote in late January of 1945, "The short-term objective of the United States Government is to assist in mobilizing all of China's human and material resources for prosecution of the war against Japan."; "...with regard to the short-term objective, Chiang appears to be the only leader who now offers a hope for unification. The alternative to the support of Chiang for the attainment of our immediate objective might be chaos." Memorandum by the Chief of the Division of Chinese Affairs to the Acting Secretary of State, 29 January 1945, ibid., 38; In the later Spring of 1944, the O.S.S. reported, "Chiang Kai-shek has no rival as a political leader....:; "No other man is considered capable of taking his place...."; Generally, the report suggested that the utter dependence of the government on the continuation of Chiang's leadership amounted nearly to a weakness. Nonetheless it was a fact of life reflected in the loyalty and respect of nearly all Chinese, including the Communists! Office of Strategic Services, Research and Analysis Branch, 10 June 1944, R & A Report No. 2228, II/2, UPA; An O.S.S. operative reported in early 1945 that in Communist held areas, "...he found nowhere any antagonism to Generalissimo Chiang Kai-shek, who continues to be commander in chief of all Chinese armies; Chiang's picture is to be seen in every Communist headquarters, just as in Nationalist China." Memorandum by the Assistant Chief of the Division of Chinese Affairs, 8 March 1945, F.R., 1945, VII, 264-265.

[22]See, John F. Melby. The Mandate of Heaven: Record of A Civil War, China 1945-1949 (Toronto: University of Toronto Press, 1968), 15; See also, The Appointed Ambassador in China to the Secretary of State, no date, (late December 1944), F.R., 1944, VI, 213-214; Memorandum by the Second Secretary of the Embassy in China, 11 December 1944, ibid., 726; The Ambassador in China to the Secretary of State, 21 August 1944, ibid., 149-150; See, also, China White Paper, 68.

[23]See, Steele, American People and China, 20-21; Warren I. Cohen. America's Response to China: An Interpretative History of Sino-American Relations (New York: John Wiley & Sons, Inc., 1971), 194; Varg, Paul A., The Closing of the Door: Sino-American Relations, 1936-1946 (East Lansing: Michigan State University Press, 1973), 216, 233-234.

[24]Kenneth E. Shewmaker. Americans and Chinese Communists, 1927-1945: A Persuading Encounter (Ithaca, N.Y.: Cornell University Press, 1971), esp. 335-346.

[25]Varg. Closing of the Door, 129; It is important to understand that the reports reaching Washington of those extolling the "democratic" propensities of the Chinese Communist and those who tended to minimize the importance of the Marxist-Leninist orientations of Yenan, were countered by many more reports from various sources which

argued that the Chinese Communists were precisely what they claimed to be -- Marxist-Leninist revolutionaries. See, for example, the Army intelligence report of July 1945 which stated that those who viewed the Chinese Communist Party as "agrarian reformers" were incorrect; that the CCP were "genuine communists"; that on doctrinal matters there existed a close CCP-USSR connection. Ibid., 130-131; For further information on this War Department Military Intelligence Division June report on "The Chinese Communist Movement", see, E. J. Kahn, Jr. The China Hands: America's Foreign Service Officers and What Befell Them (New York: Viking Press, 1975), 156; While an O.S.S. informant was willing to concede that the CCP viewed the process of communization" in China a long-term one, there was no question but that the CCP was a "communist" organization with ultimate goals which were "communist". Office of Strategic Services, Research and Analysis Branch, "The Guerrilla Front in North China", 21 May 1943, R & A Report No. 892, I/11, UPA; In June 1943, the O.S.S. granted that the situation in China presented practical problems of an "agrarian" nature which would tend to modify Marxist-Leninist priorities. Nonetheless, the CCP was labled "theoretically" the same as the "Russian brand". Office of Strategic Services, Research and Analysis Branch, "Survey of China", 19 June 1943, R & A Report No. 746, I/13, UPA; In the Summer of 1945, the O.S.S. submitted a series of reports, all of which detailed at considerable length, the "communist" nature of the CCP. See, Office of Strategic Services, Research and Analysis Branch, "Political Aspects of Communist Military Organization", 16 July 1945, R & A Report No. 3212, II/18, UPA; Ibid., "Organization for Political Work in the Communist Armed Forces, 23 July 1945, R & A Report No. 3213, II/19, UPA; Ibid., "Political Techniques of the Communist Armed Forces", 30 July 1945, R & A Report No. 3217, II/20, UPA; See, also, John D. Sumner, Economic Adviser to the Embassy in China, that, "While (the) Chinese Communists generally adhere to Marxian ideology and believe in a socialist state as (the) ultimate goal, they have expressed the belief that China will not be ready for socialism for many years to come." Nonetheless, Sumner went on, "The ideology of the Chinese Communists is Marxian", and the, "...socialist state...is their ultimate goal"; Moreover, Sumner doubted that the CCP expressions of commitment to "democray" could be accepted without qualification. Sumner observed that political opposition was weak in CCP held territories and there was no telling how the Communists would react to really strong political opposition. John D. Sumner to the Secretary of State, 24 April 1945, Sumner Papers, Box 1/China File/A-Ch, HSTL; See, also, Memorandum by the Economic Adviser to the Embassy in China, no date, late April 1945, F.R., 1945, VII, 353-361.

[26]In a late January 1945 memorandum, the Chief of the Division of Chinese Affairs, John Carter Vincent, wrote that, "We would like to see the rearmament, to such extent as may be practicable, of all

Chinese forces willing to fight the Japanese, but the present unsatisfactory relations between the Chinese Government and the Chinese Communists makes it impolitic to undertake measures for the rearmament of the Chinese Communists even though it is generally conceded that they could effectively use quantities of small arms ammunition and demolition materials. However, if operations are undertaken along the China coast it is suggested that our military authorities should be prepared to arm any Chinese forces which they believe can be effectively employed against the Japanese, and that they should at an opportune time so advise the Chinese military authorities." Memorandum by the Chief of the Division of Chinese Affairs to the Acting Secretary of State, 29 January 1945, ibid., 38; Less than a month later in a conversation with General Albert C. Wedemeyer, Vincent, described the following exchange, "I told General Wedemeyer that our thinking had not gone beyond the point of considering the advisability of using the Communist forces for what they were presently worth (that is, as a guerrilla outfit) and of giving them only such supplies as they would be capable of effectively utilizing as guerrillas, such as demolition material and captured Japanese small-arms."; "General Wedemeyer said that he was awaiting a 'green light' from the Department as to whether aid to the Communists on the limited scale I had described should be given. I again told General Wedemeyer that the question of whether or not such limited material aid could be effectively used against the Japanese to further our prosecution of the war was one which only our military authorities were in a position to decide and that their decision should be based solely on military considerations. If the answer should be in the negative, then there would be no question actually for the State Department to decide. If the answer were in the affirmative, then the State Department would be faced with the problem of deciding whether the military advantages were or were not out-weighed by possible political disadvantages, such as the effect upon Chiang Kai-shek and the National Government. I told him that I would not predict what the Department's decision would be." Memorandum of Conversation by the Chief of the Division of Chinese Affairs, 12 March 1945, ibid., 271.

[27]Chapter two in the China White Paper, pp. 38-59, gives a useful summary of Kuomintang-Chinese Communist relations, from 1921 to 1944.

[28]China White Paper, 55-57.

[29]Ibid., 71; See, also, Buhite, Hurley, 147-150.

[30]Ibid., 147-150, 172; China White Paper, 65-71.

[31]There are any number of documents available bearing on the "long-range" postwar political objectives of U.S. policy toward China. See, for example, The Acting Secretary of State to the Secretary of the Navy, 21 May 1945, F.R., 1945, VII, 879-883.

[32]Policymakers in 1945 have come in for criticism on the part of scholars who have suggested that Truman Administration officials did not have a clear idea in mind as to the global-strategic importance of China as it related to the problem of establishing a power equilibrium in relations between the United States and the Soviet Union. Tang Tsou's exhaustive and scholarly work on Truman-China policy, for example, argues that, "Given a clear recognition of the interests at stake, a solution of the problem of American policy toward China would have been to seek a strategic settlement. But the conscious search for a strategic settlement with the Soviet Union was not a predominate mode of thought immediately after the Pacific war." Tang Tsou. America's Failure in China, 1941-1950, (Chicago: Chicago University Press, 1963), 370. On the contrary, as this and later chapters will suggest, the Soviet consideration in American thinking about China both near the end of the war and immediately after was paramount and, indeed, played a vital role in decision-making concerning postwar U.S. policy toward East Asia. One of the major arguments, it will be recalled, in favor of giving direct American aid to the Chinese Communists in North China in 1944 and 1945 was predicated on the calculation that it would be to the strategic advantage of the U.S. to obstruct an intrusion of Soviet influence into internal Chinese affairs. See, ante, p. 5; For information on the Soviet factor in American thinking, see "Sino-Soviet Relations", F.R., 1945, VII, 851-1054; esp., see, pp. 855, 861, 869-870, 876-878, 878-833; The Chief of the Division of East European Affairs, wrote in mid-May of 1945, that, "While we should in no case try to prevent the attainment of legitimate Soviet interests in China, we should in our own interests exert every effort to prevent Soviet influence from becoming predominant in China. To do this, it would appear that we should bend every effort to bring about a liberalization of the Chungking Government, assist them in drawing up a positive program which would have a direct appeal to a large section of the population and assist them financially and materially to carry out effectively such a program." Memorandum by the Chief of the Division of East European Affairs, 10 May 1945, ibid., 865; See, also the Moscow Embassy's "Estimate of Soviet Policy in East Asia", that, "The Soviet Union may be expected to pursue in East Asia a unilateral policy designed to revise the situation in the Far East in its favor...." The memorandum then went on to outline the full measure of the Soviet strategic interest in the region. Memorandum by the Second Secretary of the Embassy in the Soviet Union, 10 July 1945, ibid., 928-932.

[33]See, China White Paper, 113-116; Cohen, America's Response, 175-176; See also, The Secretary of War to the Acting Secretary of State, 21 May 1945, F.R., 1945, VII, 876-878; W. Averell Harriman and Elie Abel. Special Envoy to Churchill and Stalin, 1941-1946 (New York: Random House, 1975), 396-397.

[34]Cohen, America's Response, 175-176.

[35]Ibid., 1975; For a good treatment of the Yalta conference and American motives aiming toward the agreements reached at Yalta, see, Feis, China Tangle, Chapter 22.

[36]For Soviet promises on China, see, China White Paper, 71-72, 94-98; Feis, China Tangle, 140-141, 180-181, 284-286; See, also, "Sino-Soviet Relations", F.R., 1945, VII, esp., 851-852, 887-891, 897-898; Buhite, Hurley, 207; George F. Kennan. Memoirs: 1925-1950 (New York: Bantam Books, 1969), 248-249; Harriman, Special Envoy, 541.

[37]One major assumption in American thinking about Soviet entry into the war against Japan was that there was little the U.S. would be able to do to prevent the Soviets unilaterally taking much territory in East Asia -- just as they had in Eastern Euopre -- which might suit their fancy. Thus, considerable attention was given to the matter of attempting to draw the Soviets into political agreements which would tie the Russians diplomatically into a postwar settlement acceptable to U.S. interests and which would clearly delineate limits to Soviet ambitions. Tang Tsou, America's Failure, 237-239; American officials continued to be concerned in 1945 in the months following Yalta to obtain a more detailed Soviet diplomatic acquiescense on various questions concerning East Asia and China, see, for example, Memorandum by the Acting Secretary of State, 21 May 1945, F.R., 1945, VII, 896-878; Memorandum of Conversation by Mr. Charles E. Bohlen, 28 May 1945, ibid., 887-891; It also is pertinent to note that the American interest in obtaining an agreement between the Nationalist government and the Soviets (the Sino-Soviet Treaty signed in August 1945) was predicated on this same desire to introduce as many constraints as possible into an otherwise fluid situation. See, The Ambassador in the Soviet Union to the Secretary of State, 4 September 1945, ibid., 982-984.

[38]The Chief of the Division of Far Eastern Affairs wrote in April 1945 that, "We want Chinese unity now for more effective prosecution of the war against Japan; and we want China united territorially and politically in the post-war so that she can in cooperation with us and the Russians make her contribution toward security and well being in the Far East. The Russians can understand this; and they can understand the obverse: disunity in China will surely lead to dissension and threaten conflict among the Pacific Powers.;

...it is essential that we make clear our interests, that our interests be real -- not theoretical or sentimental, and that Russia be convinced of our determination to support our interests fully but not in a manner antagonistic to Russia." The Chief of the Division of Chinese Affairs to the Ambassador in China, Temporarily in the United States, 2 April 1945, ibid., 323, 325.

[39]Shortly after his 1949-1952 tenure as Secretary of State, Dean Acheson recalled this period (he was then an Under Secretary of State), acknowledging that no "radical" change in American policy toward China was possible in the aftermath of Roosevelt's death. Notes on China, 23 July 1953, Princeton Seminars, Acheson Papers, Harry S. Truman Library, Independence, Mo.; See, also, John Lewis Gaddis. The United States and the Origins of the Cold War, 1941-1947 (New York: Columbia University Press, 1972), 198-200.

CHAPTER II

EARLY POSTWAR CHINA POLICY: INITIAL OPTIMISM AND OMINOUS DEVELOPMENTS

Stability, unity and democracy were the general postwar American goals for China and policymakers expected that these ends would be achieved through political-diplomatic means. Although creating stability and unity within China was important enough, it was not simply an end in itself. In one sense China represented something of a microcosm of all East Asia in terms of a postwar settlement. Just as communist and non-communist interests could be adjusted satisfactorily within China so would the American and Soviet governments work to compromise their broader interests in East Asia.

But the China solution was also the prerequisite for a Great Power accommodation in East Asia. In fact Truman Administration officials conceived a proportional ratio to exist between the level of success in achieving a settlement in China and the degree of potential for achieving a more general regional arrangement with the Soviet Union. It would be impossible to accomplish the latter if instability and disunity came to prevail in China.[1]

Immediately following the war, the Truman Administration, it appears, was inclined to view the question of a

postwar settlement in a somewhat fragmented fashion. Each region of the world had a significance conceived largely in terms of its own necessities. Settlement in any one area would be achieved on the basis of discussion and negotiation which included those parties with a relevant interest in the outcome. This expectation was predicated on the then still compelling conviction that specific diplomatic mechanisms for compromising diverse interests could be developed on the foundation of mutual confidence, good faith, cooperation and some hard bargaining either through the auspices of the infant and as yet unorganized United Nations or between the Great Powers themselves.[2]

From the Administration's perspective the China situation contained its own requirements. Officials determined as a matter of course that the American military presence in China would be used in support of the Nationlist government's effort to re-establish its control in all areas. This followed from the fact that Chiang and his regime continued to be just as indispensable for many of the same reasons after August 1945 as before.

There simply was no substitute political personality of comparable stature. Chiang's enormous prestige within China and internationally at war's end was an irrefutable and compelling political condition. His importance derived from several sources. One was the mere fact of his presence at the head of the Chinese government after eight

years of war. Another was the condition that between the Great Powers there was no equivocation on the question of the political legitimacy of Chiang and his government. It was not a mere figment of the American imagination. Another source was the residue of the laudatory and supportive statements and actions of the American wartime policy. And, in significant measure, still another source of Chiang's prestige was the favorable reporting of substantial segments of the American press, most notably in the case of Henry Luce's Time and Life publications. None more than these popular magazines led the way in conveying the illusion that Chiang represented the moral and intellectual bond between oriental and occidental culture; that the Nationlist government represented the hope of democracy in China.[3]

But, in the last months of the war and after, the importance of Chiang and his regime inherited a new dimension. As a result of Yalta, the Generalissimo and the Nationalists became the principal measure of the ability of Washington and Moscow to achieve a resolution of their conflicting national interests in Asia. Pledges of support by both to his government constituted the fundamental act of postwar political compromise between the United States and the Soviet Union in East Asia. In view of this, dispensing with Chiang was impossible unless there emerged some effective and acceptable alternative to his leadership. But there was no alternative in the Administration's view.

Thus, it was senseless to talk about eliminating the touchstone of good faith and compromise between the Great Powers.[4]

Certainly these were more important considerations than the complaint by some that Chiang's regime was corrupt and inefficient and therefore undeserving of American aid. Indeed, the attributes of Chiang's political preeminence appeared together so compelling as to negate any suggestion that Chiang was dispensable, or that it was not incumbent upon Administration policy to give its support to the government which he headed. Happy in the presence of an internationally agreed upon device for a postwar political settlement in China, war-weary officials were not inclined to dwell upon the possibility that the corruption and inefficiency of the Nationalist government might reduce its effectiveness in fulfilling such a role.[5]

Besides, it did not seem unreasonable to believe, as some argued, that Kuomintang organizational and administrative deficiencies were the result of the chaos produced by the Japanese invasion, which, after 1937, also eliminated any opportunity for Chiang to implement necessary reforms. Although such thinking tended to overlook the Nationalist government's almost studied inattention to social and economic reform in the decade prior to 1937, confidence remained that peace would provide those conditions which would allow the Generalissimo to move in more progressive directions.

The conditions of corruption and inefficiency were subject to corrective revision given the presence of proper organizational and managerial expertise - after all, one of America's finest resources and easily exportable.[6]

In addition, the Nationalist government appeared to be the only available organization in China capable of reasserting control over the whole of the country. There could be no extensive consideration of the Chinese Communists, the only alternative, and after the Japanese defeat there was none. The Communists received no consideration at all. None of the arguments for supporting the Nationalist government applied to the Communists.

Legally, they had never been more than a force in rebellion against an internationally recognized regime. None of their leaders had the stature of Chiang Kai-shek. Not even the Soviets were inclined to press the cause of the Chinese Communists, let alone suggest they become the focus of Great Power political accommodation in China. Throughout a series of confidential diplomatic exchanges with American officials, several summit conferences, and a treaty arrangement, Stalin virtually ignored his opportunity to promote Yenan's political status. He consistently professed complete approval for the Nationalist regime.[7]

Some have suggested that the Truman Administration accepted the view that the Chinese Communists were not communists at all in the Russian sense of the term but were

actually agrarian reformers with strong nationalistic inclinations.[8] Whatever the extent of official wondering about the actual depth of the Chinese Communist commitment to orthodox interpretations, the diplomatic dispatches reaching Washington from China after VJ day assumed overwhelmingly that Yenan's political coloration was "communist".[9] Moreover, the Chinese Communists themselves continued to insist they were in fact communists committed to the revolutionary import of Marxism-Leninism.[10] In view of the corroborating information coming from the American Embassy in China there was no good reason to doubt the authenticity of their claim. For this reason alone there was no real possibility of the Chinese Communists becoming the exclusive focus of American policy in China.

The end of the world war eliminated the necessity for concealing competitive national interests. The coming of peace ended the wartime immunity of policy-making from ideological complications. While there was as yet no clear reason to believe communist and non-communist interests were mutually exclusive and ultimately incompatible, nevertheless they had to be differentiated one from the other, and surely subject to some formal manner of adjustment and reconciliation. No identifiable American official involved in policy-making believed the interests of "communism" so defined were naturally compatible with those of "democracy". This was equally true for both Russian and Chinese communism.[11]

Accordingly, in 1945 American policy sought to establish a balance of communist and non-communist interests in China and in East Asia. United States recognition of the several levels of communist aspiration, i.e., that of Moscow in the Yalta and Sino-Soviet agreements and of Yenan in the goals of the Hurley mission, presupposed a willingness on both their parts to recognize the American interest which was non-communist and to be distinguished as such.

In China the non-communist interest resided in the continuing existence of the Nationalist government headed by Chiang Kai-shek. As a matter of policy it was simply inconceivable at the time that Washington promote non-communist interests so defined through the use of a communist organization. Despite the Administration's knowledge of the patriotic sentiments displayed by certain factions within the Chinese Communist Party, officials never showed much inclination to interpret this information as having any more than marginal significance for policymaking.

Titoism belonged to the future. Even had Administration officials been favorably disposed to consider the prospect, they could not have been sure that encouraging the nationalistic propensities of the Chinese Communists through the use of direct American aid would promote the United States' interest in China. There simply were no grounds in the view of Administration decision-makers for believing that the patriotic sloganeering of the Chinese Communists

reflected a purpose apart from the ideological authority of Moscow and from the ultimate political aims of Marxism-Leninism.[12]

Officials were never able to accept the idea that American aid would buy Chinese Communist independence from Moscow.[13] This prevailing evaluation of the Chinese Communists in association with an official assumption that Soviet cooperation was the key in reaching a political solution in China, produced the rather satisfying, though as it turned out, vain hope that the Communist leadership in China would have no choice but to accept their fate as determined by an American-Soviet agreement.[14]

After the war, officials did not merely distinguish between communist and non-communist interests. They also conceived they had a firm responsibility to push in favor of the non-communist position whether with regard to the Soviets on all matters or specifically in the case of China. It was, without question, an essential American interest that China not come to have a communist-dominated political system. Indeed, after VJ day, this was the major reason why the Nationalist government appeared to be the only available serviceable device for realizing American interests in China. Not only did Chiang's government exist as the mutually agreed upon focus of Great Power accommodation, but its acceptability to the Administration in that regard also reflected a natural American affinity for its non-communist character.

In a very real sense, officials believed they were competing with the communists in China. But the nature of the Administration's intentions in this regard, were, in 1945, still a far cry from the rigidities and limitations of a later anti-communism with its straight-laced commitment to victory in the Cold War. The respective national interests of the United States and the Soviet Union were not yet conceived in Manichean fashion as belonging to mutually exclusive and unbridegable categories.

So long as this more flexible policy atmosphere continued to last, what it meant in the case of China was that Administration officials wanted to ensure that the nature of the political settlement, while granting representation for all political interests, would continue to guarantee the non-communist position its fair measure of responsibility in the formulation of government policies. In other words, competing with the communists did not mean defeating them, nor did competition preclude compromise.

There were essentially two reasons why competing with the communists did not appear in American thinking to be inconsistent with the more hopeful rhetoric of cooperation in solving postwar problems. For one thing, the mixture of competition and cooperation undoubtedly seemed natural to decision-makers in view of their varied involvements and experiences in domestic American politics. It was a give and take game; the degree of concession or demand

depending on the relative strength of one's political position vis-a-vis another. Once this relative strength, or the image of such, became apparent subsequent to the rhetoric and maneuver in the congressional and governmental processes, then some appropriate compromise of the respective, competing interests would be reflected in the legislative outcome.

As this American sense of the nature of the political game related to conditions in China, it was not really a solid expectation so much as it was a preliminary notion based on a preference that the process of solving postwar problems develop in an uncomplicated fashion. Convenience, naturally enough, was conceived in terms of what was familiar.

Another reason officials did not believe that the requirement of competing with the communists subverted the possibility of cooperation in resolving postwar problems rested on related assumptions concerning the Soviet Union. Administration officials believed that success in reaching a peaceful political settlement in China and East Asia, would depend on the ability of the United States to carry on a sustained and effective diplomatic relationship with the Soviet Union. However, officials did not think that the mere desire for postwar diplomatic cooperation with the Kremlin could be expected to translate naturally into reality without some degree of American manipulation of the negotiating environment.

On a fundamental level the Administration would have to promote a situation in China with which the Soviets and the Chinese Communists could be relatively satisfied in terms of their respective interests. The Yalta accords, the Sino-Soviet treaty and the American purpose in supporting the postwar creation of a coalition government unquestionably fulfilled this requirement from the Administration's standpoint. However, it was also important, to the extent possible, to create through the Administration's use of energetic negotiating tactics a set of prevailing political-diplomatic conditions which the communists would be forced to accept as compelling. The import of this assessment did not reflect at all favorably on the character of the Soviet leadership.

The principal source of the analysis concerning the requirements of dealing with the communists appears to have derived from the implications of the diplomatic reporting of the American Embassy in Moscow. The Embassy's interpretations were largely concurred in by the State Department's Division of East European Affairs, including the Division's Chief, Elbridge Durbrow.[15]

From Moscow, both Ambassador W. Averell Harriman and Charge d' Affairs George Kennan provided Washington with less than sanguine views concerning Soviet foreign policy behavior. They argued convincingly that Stalin and his

associates would accept the essence of a particular international political situation only to the extent it was in the Soviet interest to do so. If it should appear to the Soviet leadership that greater advantage might be obtained otherwise they would not hesitate to move in the required direction, even to the extent of disregarding prior treaty arrangements.

Both Harriman and Kennan suggested there was nothing gratuitous in the agreements which Stalin made with other governments. He and his inner circle of advisers were pragmatic power brokers obsessed with the prospect of promoting Soviet international advantage in their presumption of conforming to Marxist-Leninist teaching. The Soviet leadership could not be trusted to honor some abstract notion of ethics which paid attention to the values of trust and good faith or to sense the value of developing more or less permanent working relationships with other governments. They could be expected to act in an entirely self-serving fashion paying attention only to their own perception of necessity in achieving the ultimate goals of world revolution.[16]

These not very reassuring estimates of Soviet behavior set some in the Truman Administration to wondering about the prospect for postwar Soviet-American cooperation even before the conflict was over. Some officials were close to believing the Soviet Union was involved in an

opportunistic effort to extend its influence, even dominance, beyond those limits which could serve as a reasonable point of compromise in East Asia between Moscow and Washington.[17] However, in the immediate aftermath of the war, the overwhelming desire that Washington and Moscow find some way to cooperate in solving postwar problems continued to control the tenor of decision-making attitudes.[18]

In effect, what decision-makers needed to locate was an operational assumption, a conceptual middle ground, which would allow them to accommodate both the doubts raised by the reporting of the State Department's Soviet experts and the hope that American and Russian leaders would be able to develop a successful diplomatic association with one another. They found that assumption implicit in the further argument of the Soviet experts that Russian compliance with American postwar aspirations, specifically Stalin's willingness to honor the Far Eastern stipulations of the Yalta accords and the articles of the Sino-Soviet treaty, would depend on the degree to which the political situation presented Moscow with little alternative.[19]

What this meant in the several months after the war was that the Administration would continue in its willingness to respond to the legitimate demands of Soviet diplomacy. At the same time, however, officials would have to demonstrate to the Russians, both in their personal diplomatic bearing and by an unequivocal display of energy

in implementing United States policy, that the Soviet leadership could not expect to gain any further international advantage and that it was therefore in the Kremlin's best interest to compromise. In a word, officials settled on the view that the Soviets could be forced to cooperate with the United States to the extent Stalin and his associates were made to recognize they were dealing with a tenacious adversary fully prepared to brook no double dealing in the process of solving postwar problems.[20]

This contributes, in significant measure, to an explanation of the "getting tough with the Russians" attitude which Administration officials increasingly displayed in the months near the end of the war and after. In this regard, it may be suggested, that the now famous Truman "dressing down" of Molotov in the Oval Office in April of 1945 was probably less a spontaneous display of Presidential frustration than it was a calculated maneuver designed to relieve the Kremlin of any illusions that American leaders could be pushed around.[21]

Some scholarly evaluations of the origins of the Cold War have argued that the Truman Administration's "getting tough" approach with the Soviets significantly reduced the opportunities for postwar cooperation and therefore constituted a major cause for deteriorating relations.[22] However, officials at the time did not view the situation in that way. Rather they hoped that a forceful

manner would facilitate a peaceful, political resolution of postwar problems by shocking Soviet bluster into a mood of diplomatic compliance.

Be that as it may, the tough image in direct dealings with the Russians had its parallel requirement - a display of firmness and single-minded purpose in implementing American policy. In the specific case of China, the question was: how were Administration officials to encourage the development of this condition? First of all, it was essential that the Administration preserve, without question, the internationally acknowledged preeminence of the United States in determining China's postwar disposition. The level of American wartime involvement and association with the Nationalist government established a clear trend in this direction as did Stalin's aforementioned proclamations of support for American policy toward China. Furthermore, in discussions with American officials, the Soviet dictator conceded that only the United States owned sufficient resources to promote postwar economic recovery and to create stability and unity in China. Continued Soviet acceptance of American predominance in China, so it seemed, would be determined by how resolutely the Administration retained its initiative.

The image of American enterprise and energy in promoting its interests in China would be developed in several ways. It would not equivocate in backing the

Nationalist government. Accordingly, United States military forces stationed in China during the war would be used to aid the Nationalists in occupying all parts of the country. Assertion of Nationalist control was important for several reasons. As the recognized legitimate government, the Nationalists naturally had the responsibility for accepting the Japanese surrender in China as well as that of repatriating them. Despite the de jure character of the Nationalist government, inability to fulfill these obvious responsibilities in any part of the country would raise serious questions about its de facto status. In that eventuality, the political prospects of the communists - Chinese and Soviets - would be enhanced, especially in North China and Manchuria, and those of the Nationalists and Americans damaged.[23]

It was vital that the authority of the Nationalist government come to exist throughout the country in fact as well as in theory for another reason. Failure to achieve this condition would seriously impair prospects for achieving unity and stability in China. It was especially important to fill the void in North China and Manchuria. In the absence of an effective Nationalist presence in those areas, the Chinese Communists, in collusion with the Soviets, could be expected to establish independent control.[24] The result would be a divided China, a condition which American decision-makers believed would prove inherently unstable and

hence, a major, if not decisive, obstacle to achieving a regional postwar settlement.[25]

To the extent that reassertion of Nationalist power in Northern China would impress communist sensibilities, it would be reinforced on the positive side by Ambassador Hurley continuing efforts to find some political basis for achieving unity, stability and democracy in China. To this end, it would be American policy to encourage the restructuring of the Nationalist government so as to make it truly accessible to the representatives of all political groups in China. Hurley's efforts to promote this policy would reveal that the interest of the Truman Administration was not merely in furthering the fortunes of Chiang Kai-shek and the Kuomintang Party to the exclusion of the political aspirations of the Chinese Communist Party.

If the Chinese Communists could be maneuvered into participating in a coalition government, then the prospect for unity and stability would look much brighter. Such a coalition would force the Soviets to accept their inability to exploit the situation to further advantage. They would have little alternative but to remain satisfied with the extent of concessions already obtained at Yalta and in the Sino-Soviet Treaty. If the Soviets could be "constrained" in this manner, then American national interest also would be well served. Consequently, the vital problem of successfully balancing Soviet and American power in East Asia would

be much nearer to a final satisfactory resolution. The Administration counted big stakes in the outcome of Hurley's anticipated mediation efforts.[26]

Although no one could be sure, there were reasons for thinking the Chinese Communists and the Kuomintang could be brought together in a coalition government. As already suggested, a display of American sincerity in promoting this outcome would be one means of convincing the Communists that the Truman Administration was determined to be as fair as possible with regard to the interests of all parties involved. A coalition government, if properly arranged as an effective receptacle of Communist interests, would prove attractive to the Yenan rebels who were as war weary as any Chinese.[27] To the extent it might be a factor in attracting the Communists, the Americans could be trusted in this matter.[28]

Officials also thought that the image of American reliability in Communist eyes would be re-enforced in the Administration's determination to place qualifications on its support to the Nationalist government. In the months after the war, limits on aid were based on Washington's discomfort with the well-documented fiscal irresponsibility of the Kuomintang. But constraints also existed because officials believed that unreasonable or excessive American largesse to the Nationalist government would have the effect

of encouraging an uncompromising belligerency in the attitudes of the Kuomintang leadership. Moderation and restraint in grants of aid to the Nationalists not only made good sense in view of Kuomintang corruption, but from the American standpoint such an approach also promised to put pressure on Chiang to initiate reforms requisite to a political settlement (as the suggested pre-condition for more aid) while simultaneously encouraging Communist confidence in the Administration's approach.[29]

There was another factor in this regard, though it was distinctly speculative and peripheral in importance, to American thinking about the prospects for bringing the Chinese Communists into a coalition government. Decision-makers generally believed that in the event of civil war Yenan would be forced into a position of utter dependency on the Soviet Union. Officials simply assumed the Chinese Communists would require substantial supply from external sources if they hoped to achieve military success. Only the Kremlin could be expected to satisfy that need.[30] Further, Stalin could be expected to demand and receive Chinese submission to Soviet authority as the price of aid.

But officials were aware also of the nationalistic inclinations displayed by the Chinese Communists. Because the nature of American assistance to a coalition government would honor the principle of self-determination for the Chinese people, the question was at least implicit: might

some Chinese Communists find this alternative more attractive than the one of civil war and absolute dependency on the Soviets?[31] The idea that the Yenan communists might feel sufficiently confident to follow the option of seizing power by military force pretty much on their own and that they had the capacity to do so, does not appear to have had the greater influence in promoting the final arrangement of decision-making assumptions in late 1945.

More important in American thinking, however, was the belief that Yenan's course of action ultimately would be determined by Soviet policies. For one thing, officials thought that so long as Stalin continued to abide by his promise to support the Nationalist government then Yenan's room for maneuver would be significantly reduced. Without the immediate option of receiving Soviet support, the Chinese Communists thus would find the prospect of entering a coalition government an imminently more attractive alternative than the one of being isolated and in danger of losing what political advantage they already possessed or which they might acquire in entering a coalition government.[32]

Indeed, on this last point, there was widespread speculation among American officials that both Moscow and Yenan in 1945 saw a political settlement as the ideal means by which a communist seizure of power in China could be accomplished. Thus, in this view, Stalin was quite happy to allow the United States an opportunity to create a government

in which the Chinese Communists would be permitted an effective political voice and also quite willing to encourage Yenan to follow this line so long as it portended to serve the Kremlin's interests.[33] But, if this is true, then the obvious question arises: if American officials suspected that the Chinese Communist motive in entering a coalition government ultimately was to seize power for themselves, then why did the Administration go ahead with its plan to encourage a political settlement?

The more complete answer to this question is reserved for later chapters. Suffice here to say that in addition to the hope that Yenan for its own reasons might genuinely desire a political settlement,[34] officials were not yet prepared in 1945 to act on their emerging suspicions of communist duplicity. Moreover, decision-makers thought that in developing their policy they were being fair with regard to communists interests, both Russian and Chinese, and that the latter especially would be favorably impressed by this fairness.

At any rate one should not proceed necessarily from these observations to the conclusion that the Truman Administration was foolish in attempting to mediate the conflict between the Kuomintang and the Chinese Communists. The record does not indicate that naiveté pervaded the official sense of the prospect for policy success in China. Granted there was some. However, officials were well aware

of the risk of failure. In fact, even if the more optimistic scenario did not work out in all its details, officials were still prepared to seek the political solution in China. Their determination in this regard followed from the perceived necessity of doing something despite the known risk of failure; because of their frustrating assessment that there were no good alternatives to this course of action; because of the view that the prospects for obstructing an intrusion of Soviet power in Asia would be much greater if the Chinese Communists joined a coalition government; and that these prospects would be minimal in the event of civil war.

In summary, in the several months after the Japanese surrender, American officials were set to allow events to run their course on the basis of the diplomatic structure settled on by the end of the war. Nationalist troops would continue to be transported throughout the whole of China and Manchuria and supported in some key areas by the American military establishment under the command of General Albert C. Wedemeyer, who had been chosen to replace General Stilwell in the Fall of 1944. Ambassador Hurley, temporarily in the United States, would return to China. There he would resume his role as mediator between the Communists and the Kuomintang while encouraging the development of a lasting political solution in the form of an effective coalition government.

For the time being, Administration officials would have to continue to assume the Soviets, as promised, would support the Nationalist government in reasserting its control in Manchuria, refrain from giving any support to the Chinese Communists, while encouraging the thrust of American China policy which was to achieve a negotiated political settlement. By the end of the year Soviet armies would evacuate Manchuria in favor of establishing their postwar collaboration with the Nationalist government on the basis of those beneficial concessions contained in the Sino-Soviet Treaty previously signed in August.

By November of 1945, this more hopeful picture faced troubling developments. Reports on the situation in China sent back to Washington by General Wedemeyer were disturbing. There was extensive fighting between the Nationalist and Communist troops in North China, he advised, and it was spreading. He noted that Communist military strength in the area was substantial and that Chiang's forces would not be adequate to offset rebel power if the Nationalists continued in the effort to reoccupy Manchuria. Wedemeyer was convinced that reoccupation of Manchuria would make it impossible to deal effectively with the Communists because Nationalist power simply would be spread too thin. In fact the American commander had suggested to Chiang that he abandon efforts to reoccupy Manchuria until the Nationalist position could be consolidated first in the North.[35]

For political and economic reasons, Chiang probably had to ignore such advice, however sound from a military-strategic point of view. And, though Washington could agree that Wedemeyer's suggestion made good sense from a military point of view, top level officials could not feel comfortable with the General's advice from a political standpoint. Wedemeyer's proposition ran counter to the Administration's effort to create unity in China. Chiang's disavowal of Manchuria, even implicitly in the form of temporary military expediency, would damage the Nationalist image even as the de facto government of China.

Even more seriously such a tactic would allow the Chinese Communists, with Soviet support, to consolidate their position in Manchuria with the result of a divided China. To repeat, not only was this counter to United States policy because the Administration believed that internal division would mean a nearly inevitable and hence unacceptable extension of Soviet influence into areas under Chinese Communist control, but officials also believed that a divided China would prove inherently unstable in a continuing conflict between Communists and Nationalists. In the American view this would destroy the basis, established at Yalta and in the Sino-Soviet Treaty, for a reasonable and balanced adjustment of American and Soviet interests in the region. Only a unified China could overcome the related banes of American China policy -- internal political instability and the extension of Russian communist influence.[36]

In addition to this unsettling consideration, the General's reporting created other worries for Washington. Wedemeyer expressed alarm that the armed clashes between Nationalists and Communists were making it impossible for American forces to carry out their assigned mission of helping the Nationalist goverment to reoccupy the country without themselves being drawn into what was emerging as an open civil war. Direct United States involvement in combat hostilities was sure to complicate the problem of achieving an internal political settlement. It was difficult enough justifying American support of the Nationalist reoccupation of the country, but there was no way the credibility of the Administration's commitment to helping achieve a political settlement could be sustained if American and Communist forces began fighting one another.[37]

Wedemeyer and the American Embassy advised, furthermore, that Soviets in Manchuria appeared to be violating their agreements. Though the withdrawal of the Soviet army from Manchuria was postponed beyond the time earlier agreed upon at the behest of Chiang Kai-shek, Russian compliance with the Yalta accords and the Sino-Soviet Treaty appeared minimal. In fact, the Soviets seemed to be acting contrary to the spirit and the letter of those agreements.

The Soviet Red Army Command was creating numerous obstacles in the way of a quick and effective Nationalist reoccupation of Manchuria. Not only were the Russians

keeping the legal government out by refusing it ports of entry, but at the same time did not appear to be inhibiting the expansion of Chinese Communist forces throughout the area. There were even a few unverified reports that the Chinese Communists were seizing substantial quantities of surrendered Japanese weapons and ammunition with Soviet complicity. Such actions appeared to contravene clearly the Soviet promise to support morally and materially only the Nationalist government in China.[38]

In the last weeks of November, the absence of Ambassador Patrick Hurley from his post in China (he was in the United States) further endangered this increasingly critical situation. Hurley's projected role as mediator between the contending forces was the essential means by which Washington intended to maintain the all important image of controlling the initiative in China. The longer clashes between Nationalist and Communist troops continued, the more the prospect for gaining and maintaining that initiative would diminish. If civil war in China could not be averted then the whole equation for achieving a lasting postwar settlement throughout the region was likely to prove unworkable.

Secretary of State Byrnes was anxious that Hurley return. The critical moment required a swift reassertion of American energies if the situation in China was to be held in check. But Hurley was reluctant to go. He admitted to

being tired and ill and complained about perceived ambiguities in American China policy: he wondered if the Administration's policy accorded with his own interpretation and if perhaps a new Ambassador ought to be considered. Byrnes, however, appeared to convince the Ambassador that he had the Administration's full support in his efforts and that the President wished him to continue on in his post. Despite his reservations, Hurley agreed to return.

Then, without warning and for reasons which still promote controversy, Hurley resigned in late November. He publicly charged that United States China policy was being subverted by State Department officials. He accused certain Foreign Service Officers who had been or were still in China of siding with the Chinese Communist Party in a manner contrary to his own efforts to fulfill the principal requirement of American policy which was to support the Nationalist government.[39]

Hurley's resignation and public statements constituted a serious turn of events for Administration officials. The episode could not have occurred at a worse time in view of the unsatisfactory situation in China. It greatly compounded the difficulty. The manner of his resignation could be expected to have possible damaging effect on certain essentials of China policy. It was a blow to the appearance of the American capacity to hold the initiative in the situation. His charges against other American officials

implied there might be some serious disagreement within the Administration over the proper direction of China policy.[40]

It was possible the Chinese Communists might interpret the resignation and statements of Hurley as a sign the Administration was still open to an alternative policy which paid greater attention to their own priorities. Possibly Yenan would be encouraged to consider some new independent action designed to enhance the influence of American officials more sympathetic to the Communist cause, thereby subverting the trend toward a coalition government.[41]

Furthermore, Soviet leaders might view the events of Hurley's resignation as an indication of indecision and irresolve in American policy and that the Administration was incapable of generating any firm initiative in China. If the Soviets believed the Administration was confused and unsettled about China, the Kremlin, ever prepared to take advantage of an opponent's weakness, so the State Department's Soviet experts warned, might be led into thinking the time was ripe for a more aggressive and uncompromising posture. And, what might be the effect on Nationalist morale if questions continued to be raised about the strength of the American commitment to that government?[42]

At the end of November and early in December the Administration faced a perplexing problem in the question of American policy toward China. On the one hand existed the

complex edifice of policy logic upon which rested the belief that postwar issues in East Asia could be settled through negotiation and compromise. On the other hand, by the end of 1945 the trend of events in China and East Asia clearly was beginning to subvert the hope of earlier expectations and to produce increasing concern in American decision-makers about the prospects of achieving a peaceful solution of East Asian problems.

Here was the emergence of a real dilemma for American officials. They were aware of the contradictions involved. Decision-makers understood that postwar policy toward China and elsewhere rested heavily on a genuine desire by all peoples to do what was necessary to resolve postwar problems by diplomatic means. By any reasonable assumption everyone should have been tired of conflict, excited with the prospect of peaceful reconstruction, and fully prepared to seize the opportunity to settle their differences amicably. Soviet actions, however, did not appear very reassuring. Possibly George Kennan was right in suggesting the Russians were poised, somewhat irrationally, to extend their influence and control in the world by taking advantage of the social, economic and political shambles wrought by the great world war.

And even granting the accuracy of the proposition that the Russians respected power, or its image, and that they would compromise if compelled to do so, there remained

the disturbing fact that because of domestic public demands for military demobilization and conversion to a peacetime economy, the real power available to Truman was limited. In view of the declining relative power status of the United States, was it possible, as the Soviet experts surmised, that the ideologically motivated and eminently expedient Russian leadership would no longer think it important to moderate their ambitions?

So it was that by the end of November and early December of 1945, initial postwar optimism regarding the potential for achieving a successful diplomatic solution of the China problem began to encounter a series of unsettling problems. As a result, American policymakers prepared to assess the adequacy of established China policy and to settle on the best course of action.

[1]A mid-April 1945 statement on United States policy toward China which had been prepared for the Secretary of State for use at the upcoming San Francisco conference on the United Nations, stated the long-range American objective as, "...the establishment of a strong and united China as a necessary principal stabilizing factor in the Far East." Contained in, Memorandum for the President, 27 April 1945, Truman Papers, Presidental Secretary Files, Box 73, HSTL; A late October 1945 report by the State-War-Navy Coordinating Committee, stated that, "The American Government's long-range policy with respect to China is based on the need to have China a principal stabilizing factor in the Far East as a fundamental condition for peace and security in that area." Report by the State-War-Navy Coordinating Committee, 22 October 1945, F.R., 1945, VII, 585. (Note: State-War-Navy Coordinating Committee will hereafter be cited as SWNCC); The Assistant Chief of the Division of Chinese Affairs wrote in March, 1945, "...a China divided... would be a constant invitation to international intrigue. Our principal political objective is a strong, stable and united China, which...(in the post-war) ...will cooperate whole-heartedly in the maintenance of peace and security." Memorandum by the Assistant Chief of the Division of Chinese Affairs, 1 March 1945, ibid., 60.

[2]The aforementioned October 1945 SWNCC report, observed that, "...recent informal but authoritative expressions of Russian opinion indicate that the U.S.S.R. is for the present at least prepared to deal with us on a partnership basis in the Far East. It is to our interest to encourage and support this position on the part of the U.S.S.R. It is likewise the general policy of the United States to consider common problems on a consultative basis." Ibid., 588-589; A good treatment of the subject of American expectations concerning post-war Great Power cooperation may be found in, Robert A. Divine. Second Chance: The Triumph of Internationalism in America During World War II (New York: Atheneum, 1971), See, Chapter 12.

[3]See, Tuchman, Stilwell, 238; May, The Truman Administration, 24-25; Ross Y. Koen. The China Lobby in American Politics. (New York: Harper and Row, Publ., 1974), 88-89; Shewmaker, Persuading Encounter, 176-177; See, especially, the wonderfully entertaining, Theodore H. White. In Search of History: A Personal Adventure. (New York: Harper and Row, Publ., 1978), 214-221.

[4]While the war continued, the Administration's stated position on China policy did allow that, "While favoring no political faction, we continue to support the existing Government of China, headed by Chiang Kai-shek, as the still generally recognized central authority which thus far offers the best hope for unification and for avoidance of chaos in China's war effort. However, with regard to our long-term objective and against the possible disintegration of the authority of the existing Government, it is our purpose to maintain a degree of flexibility to permit cooperation with any other leadership in China

which may give greater promise of achieving unity and contributing to peace and security in east Asia." Memorandum for the President, 27 April 1945, President's Secretary Files, Box 73, Truman Papers, HSTL; After the war, however, with Chiang still in power, it was no longer a matter of looking for an alternative to his leadership. Rather, the Administration's predominate concern was to pressure Chiang -- who it was assumed would remain in power -- in such a way as to force a liberalization of his regime -- this as the essential basis for a political settlement of China's internal problems. See, Report by the State-War-Navy Coordinating Committee, 22 October 1945, F.R., 1945, VII, 583-590.

[5]See, China White Paper, 126.

[6]This attitude is clearly displayed in a December 1945 report on the prospects for post-war economic assistance to the Nationalist government by President Truman's Personal Representative in China, Edwin A. Locke, Jr. Locke wrote, "Above all else China needs help in making the political and economic changes and improvements which will provide a basis for her peaceful development. The government of China finds difficulty in getting things done, even when it wants to do them, because of a lack of the quality which America calls 'know-how'. In order to progress rapidly toward democracy and rising living standards, China must have detailed knowledge of what to do and how to do it. I strongly feel that the chief ingredient of American aid to China at this time ought to be 'know-how' which will be of practical help in changing basic governmental organization and policy and in assuring effective administration." Mr. Edwin A. Locke, Jr., Personal Representative of President Truman, to President Truman, 18 December 1945, F.R., 1945, VII, 1364.

[7]In the months following Yalta in 1945 both before the end of the war and immediately after, no public Soviet statement about China even remotely hinted that other than Chiang Kai-shek should be considered the central focus for political authority in China, see, "Sino-Soviet Relations", Ibid., 851-1054, esp. see, 851-852, 887-891, 897-898.

[8]See, for example, Anthony J. Kubek. How the Far East Was Lost: American Policy and the Creation of Communist China, 1941-1949 (Chicago: Henry Regnery, 1963), 322-323, 335; Freda Utley. The China Story. (Chicago: Henry Regnery, 1951), 11; Tang Tsou, America's Failure, 356-357.

[9]It would be an altogether arbitrary exercise to cite specific documents in support of this contention. There simply was no discussion, so far as revealed by the available documents, concerning the issue of whether or not the Chinese Communists were or were not "communists". See, for example, "Political conditions in China following the Japanese surrender", F.R., 1945, VII, 445-491; Moreover, American observers in Yenan, reported, "...that the structure of the Communist

Government is a replica of that of the Soviet Government." Memorandum by the Chief of the Division of Eastern Europan Affairs, 10 may 1945, ibid., 864.

[10]In the Fall of 1949, in an appearance before an assembled meeting of experts on Far Eastern Affairs in the State Department, General George C. Marshall recalled that during his China mission beginning in December 1945, "The Chinese Communists made no pretense about being aloof from the Soviet Union, they had Stalin's picture and Lenin's picture over the theater.; They were Marxist Communists and bitterly resented implications they were agrarian communists of the new stripe. They were Marxist Communists. I remember Chou En-lai startled my wife. He was telling her just what he was. They did not make any pretense of not being associated with the Communists of Russia; that was rather natural, they were Communists, they were Marxists...." Minutes of the Meetings of the Roundtable Discussions of 6, 7 & 9 October 1949, President's Secretary Files, Box 174, p. 140, Truman Papers, HSTL.

[11]Already before the end of the war, officials in Washington not only assumed that an extension of Soviet influence or power in Chinese affairs was unacceptable from the American point of view but that in the absence of a political settlement between the Kuomintang and the Chinese Communists, the Soviets would be able successfully to use the latter as a medium for this very purpose. In other words, American officials assumed that in the absence of a political settlement, it would be an irrelevant exercise to distinguish between the interests of Russian and Chinese communism -- the one would be synonymous with the other. See, Memorandum of Conversation by the Deputy Director of the Office of Far Eastern Affairs, 19 April 1945, F.R., 1945, VII, 341; The Charge in the Soviet Union to the Secretary of State, 23 April 1945, ibid., 342-344; The Secretary of State to the Ambassador in China, 23 April 1945, ibid., 344-345; See, also, Secretary of State Byrnes, that if the Chinese Communists were not brought into the Nationalist government, "...we could expect Russia to ultimately take control of Manchuria and maintain a dominate influence in North China." Memorandum of Conversation by Lieutenant General John E. Hull, War Department General Staff, 10 December 1945, ibid., 762; Memorandum by the Acting Chairman of the State-War-Navy Coordinating Committee to the Secretary of State, 13 November 1945, ibid., 620.

[12]It is true, and of some considerable interest to note, that the Tito-Chinese Communist comparison was being used already in 1944. John Stuart Service wrote from Yenan in October that, "The parallel with Jugoslavia has been drawn before but it is becomming more and more apt. It is as impractical to seek Chinese unity,...(and)...the use of the Communist forces...by discussion in Chungking with the Kuomintang alone as it was to seek the solution of these problems through Mikhailovitch and King Peter's government in London, ignoring Tito." Memorandum by the Second Secretary of the Embassy in China, 10 October 1944, F.R., 1944, VI, 710; See, also, Ibid., 431, 473, 639.

[13]See, May, The Truman Administration, 5-8.

[14]The O.S.S. in an early September 1945 report did suggest that the "net effect" of the Sino-soviet treaty in August "has been to strengthen Kuomintang's position vis-a-vis the Communists"; that it "may be true" the treaty had rendered "the Communists more receptive to terms" offered by the Kuomintang; that the "most obvious result of the treaty is to deprive the Communists of bargaining strength...." The report did equivocate, however, by pointing out that the treaty also might represent the Soviet "feeling that the Chinese Communists are strong enough and astute enough to fend for themselves as an indigenous movement." Office of Strategic Services, Research and Analysis Branch, "Implication of the Sino-Soviet Agreements for the Internal Politics of China." 7 September 1945, R & A Report No. 3248, II/23, UPA; The Embassy in Moscow also equivocated on the implicatons of the Sino-Soviet treaty, agreeing on the one hand that "...Soviet Govt assurances to (the) Chinese Govt undoubtedly prejudice Yenan's ability to bargain on (the) basis of implied Soviet military support (to the National government)...." At the same time the Embassy argued, generally, that the substantative implications of the treaty would be only s good as subsequent Soviet actions. The Ambassador in the Soviet Union to the Secretary of State, 4 September 1945, F.R., 1945, VII, 982-984.

[15]See, Memorandum by the Chief of the Division of Eastern European Affairs, 10 May 1945, ibid., 863-865.

[16]See, for example, Memorandum of Converstaion by the Deputy Director of the Office of Far Eastern Affairs, 19 April 1945, ibid., 341-342; The Charge in the Soviet Union to the Secretary of State, 23 April 1945, ibid., 342-345; The Ambassador in the Soviet Union to the Secretary of State, 4 September 1945, ibid., 982-984; See also, Kennan, Memoirs, 248-251; It is of some interest to note a memorandum to the President in February of 1946 which outlined General George C. Marshall's view of the requirement of achieving a political settlement in China, to wit, "The Only hope of maintaining a sovereign China appeared to lie in a political settlement which would present a unified nation to the world and force any other power that might be intent upon creating a puppet China to do so by overt aggression." Memorandum for the President by James Shepley, Attache to General Marshall, 28 February 1946, President's Secretary Files, Box 73, Truman Papers, HSTL.

[17]At least in one major respect, it would be an arbitrary exercise to cite specific documents in support of this contention because, as already suggested, virtually all American thinking about the necessity of achieving a unified China was predicated on the assumption that a divided China would mean automatic extension of Soviet power in the region. See, for example, the assumptions implicit in a late November 1945 discussion of various problems in China for American policy by the Secretaries of War and Navy. Memorandum by the Secretaries of War and

Navy to the Secretary of State, 26 November 1945, F.R., 1945, VII, 670-679.; Dean Acheson notes the intrusion of Kennan's less than sanguine assessments of Soviet behavior into the policymaking environ in late 1945, Dean G. Acheson. Present at the Creation: My Years in the State Department (New York: Norton Co., 1969), 202-203; President Truman notes also the effect of Kennan's reports on the Soviets. Harry S. Truman. Memoirs: Year of Decisions, Vol. I (Garden City, N.Y.: Doubleday Co., 1955), 84-85; For confirmation on this point, see, Notes on China, 23 July 1953, Princeton Seminars, Acheson Papers, HSTL. (In an exchange with Acheson, Herbert Feis makes the comment, "...the reason for sending Marshall out (to China) with new instructions was the alarm of those signs of possible soviet aggressiveness."; and with respect to the "possible unreliability" of "Soviet agreements" with the Nationalists.)

[18]See Truman's comment, "The preceding months had shown us that Stalin and his colleagues did not view matters in the same light we did. The delicate balance in China between the forces of Chiang Kai-shek and those of the Chinese Communists had been the subject of many discussions among our policy experts. But the opportunity of the moment was to put an end to the years of war. A dictator can use his soldiers as soulless pawns, but in a government like ours, the voice of the people must be heeded; and the American people wanted nothing more in that summer of 1945 than to end the fighting and bring the boys back home." Truman, Year of Decisions, 435; See, also, Athan G. Theoharis. Seeds of Repression: Reality and Rhetoric in Foreign Policy (Chicago: Quadrangle Press, 1971), 37-39.

[19]Kennan in April 1945 described Soviet policy as "...a fluid, resilient policy, aimed at the achievement of maximum power with minimum responsibility on portions of the Asiatic mainland lying beyond the Soviet border." The Charge in the Soviet Union to the Secretary of State, 23 April 1945, F.R., 1945, VII, 343; The Chief of the Division of Eastern European Affairs observed in May 1945, that in the Far East, "...the Soviet government will undoubtedly endeavor to use, if they are permitted to, the same unilateral methods which they have so effectively applied in eastern and central Europe." Memorandum by the Chief of the Division of Eastern European Affairs, 10 May 1945, ibid., 865.

[20]On this point, see Harriman's account of early meetings with Truman concerning the Soviets shortly after Roosevelt's death in, Harriman, Special Envoy, 447-457.

[21]Ibid., 447-454; For a good account of American thinking on this point, see, Gaddis, Origins of the Cold War, 200-204.

[22]See, Memorandum of Conversation by Mr. Charles E. Bohlen, 28 May 1945, F.R., 1945, VII, 889.

[23]On this rather touchy subject of the Nationalist government having exclusive responsibility for accepting the Japanese surrender in all parts of China -- with the Chinese Communists expressly obstructed from legally participating in this, see, Feis, The China Triangle, 355-361; See, also, "Questions involving the Japanese surrender", F.R., 1945, VII, 492-526.

[24]It is instructive to note that in early December in context of planning for the mediation mission of George C. Marshall to China, there developed some disagreement on this point of the U.S. transporting Nationalist troops into North China and Manchuria. The Chief of the Division of Far Eastern Affairs, John Carter Vincent, argued against this in anticipation of the attempt to bring the Kuomintang and Chinese Communists together in a political settlement. Vincent saw the question of a U.S. movement of Nationalist troops into the region as the chief point of pressure available to the U.S. which could be brought to bear on both sides. If the Chinese Communists refused to cooperate, Vincent advised, then as something of a punitive measure Nationalist troops could be ferried north. If the Kuomintang refused to cooperate, then the U.S. in conjunction with the Communists would evacuate all remaining Japanese troops from the north, in effect leaving the Kuomintang to its own devices. Vincent's counsel was not followed. Whether rightly or wrongly, and based largely on the reporting of the Soviet experts it appears, the decision was made to move Nationlist troops north first. This decision followed from the assumption that the Chinese Communists (influenced by the Soviets) could not be trusted to submit to a political settlement unless compelled to by the force of circumstances. In this view, in other words, unless Nationalist military power was introduced into the north, the region likely would be detached by the Chinese Communists and the Soviets and consolidated under a puppet region very much like Outer Mongolia. (it is well here to stress, as it will be again, that whether in 1945 or in 1950, American China policy cannot be understood except with reference to the Soviet factor.) For Vincent's position on this matter, see, Memorandum by the Director of the Office of Far Eastern Affairs to the Secretary of State, 9 December 1945, ibid., 759-760.

[25]See, for example, an early November 1945 meeting between the Secretaries of the State, War and Navy Departments, concerning the prospects in the event the Nationalists proved unable to secure adequate control especially in North China and Manchuria. Officials were worried about the destabilizing factor of a "still very cocky" Japanese army and worried that if the Nationalists could not extend its control in Manchuria, "...then the whole agreement with Russia might fall through and give the Soviet(s) an excuse to remain in Manchuria." Minutes of the Meeting of the Secretaries of State, War and Navy, 6 November 1945, ibid., 606-607; See, also, the late October 1945 SWNCC report on China policy that the only way in which American objectives in the region could be achieved would be through the emergence of "...a

friendly, unified, independent nation with a stable government...." Report by the State-War-Navy Coordinating Committee, 22 October 1945, ibid., 584; See, also, this chapter, ante., p. 26., fn. 1.

[26]For a good survey of the policymaking situation concerning China in October and November of 1945, see, Buhite, Hurley, Chapter 11; Feis, The China Tangle, Chapters 35 & 36.

[27]As a related matter, State Department intelligence sources were reporting in late 1945 that with the war now over the Chinese Communists appeared to be quite preoccupied with the task of postwar reconstruction and economic development. A December 1945 report noted that "The Communists look to the United States as the best source of capital. They consider that Russia herself has extensive needs of her own and that Britian is not in a position to make investments at present. The Communists apparently believe that they can attract the attention and interests of American investors." State Department, Interim Research and Intelligence Service, Research and Intelligence Branch, "Economy of North China, 1937-1945", 11 December 1945, R & A Report No. 3024.2, II/28, UPA; See, also the comments of the Commanding Officer of the Yenan Observer Group, "Slight hint in U.S. policy has quickly brought out a desperate cry to stop the civil war earliest and successfully conclude negotiations. I detect a new low assurance and believe the Communists ready to make greater concessions than ever before and at the same time if General Marshall's reactions favorable to throw themselves in the lap of United States." Commanding Officer of the Yenan Observer Group to Lieutenant General Albert C. Wedemeyer, 20 December 1945, in U.S. Dept. of State, Foreign Relations (Washington, D.C., 1969), VII, 794.

[28]Any number of documents could be cited as a measure of the Administration's sincerity of purpose in the matter of encouraging the development of a postwar government in China genuinely open to all political factions. (This "sincerity of purpose" rested on the one major assumption, not that the Chinese Communists were democratically inclined and would thus welcome the opportunity to join a truly representative government, but that if the postwar government in China proved inaccessible and unrepresentative, the Communists would refuse to join and civil war and chaos would ensure. This is a matter which will be discussed in detail later.) See, the SWNCC October 1945 statement on China policy, that, "There are political groups of varying strength and importance which are opposed to the present Kuomintang-controlled National Government." One of these groups is, "The Chinese Communist Party which, during the past ten years and in spite of the efforts of the National Government to liquidate its members, has developed into a dynamic force controlling considerable areas...(and exercising)...political and military control over a population variously estimated to range from twenty to fifty million people." With respect

to this situation, the report went on, it was "...of the upmost importance that our support of the present Kuomintang-controlled Nationalist Government should be realistically alert to these political factors ...(and that efforts should continue to be)...made to induce the leaders of the present National Government to take rapid and concrete measures to effect the establishment of constitutional government and to bring about the internal unity and solidarity which is essential to the development of China as a strong nation capable of maintaining peace and security in the Far East." Report by the State-War-Navy Coordinating Committee, 22 October 1945, ibid., 586-587; Even before the end of the war, it is clear that officials were attempting to develop a sense of "balance" with respect to both political factions, this as necessary in order to bring about a successful peaceful settlement in China. The Chief of the Division of Chinese Affairs, John Carter Vincent, wrote a month before the end of the war that, "While the United States seeks internal unity in China, it is obvious that the United States does not seek unity in China at the sole expense of the National Government or to promote the ambitions of the Chinese Communists, but in order to foster the prosecution of the war and to bring about stability in China." Memorandum by the Chief of the Division of Chinese Affairs to the Under Secretary of State, 16 July 1945, ibid., 435.

[29]See, the SWNCC October 1945 report on China policy that "The extent to which political stability is being achieved in China under a unified, fully representative government is regarded by the United States as a basic consideration which will at all times govern the furnishing of economic, military, or other assistance to that nation. The question of continuing such assistance should be reconsidered preiodically in relation to this basic consideration." Ibid., 584; See also the report on a December 1945 meeting between Secretary of State Byrnes and General George C. Marshall. "When asked by General Marshall the question -- What if the...Central Government refuses to give ground? -- Secretary Byrnes stated that in this case the Central Government would be informed that the assistance which we would otherwise give to China would not be given, such as loans, supplies, military and civilian...." Memorandum of Conversation by Lieutenant General John E. Hull, War Department General Staff, 10 December 1945, ibid., 762.

[30]In early 1946, James Shepley, just returned from China and having served as attache for General Marshall, prepared a memorandum for the President outlining Marshall's estimate of the situation in China. Marshall, he noted, assumed "That neither the National nor the Communist Armies had the capability to bring about a military decision with their own resources, and accordingly, without the intervention of foreign powers, a stalemate was likely to result and produce a China divided between at least two independent governments...." Memorandum for the President by Mr. James Shepley, 28 February 1946, President's Secretary Files, Box 73, Truman Papers, HSTL.

[31]It should be stressed this consideration was strictly speculative and highly inchoate and should be understood as of only marginal significance. In a word, information concerning the implications of nationalistic sentiment among the Chinese Communists was so equivocal that it never played any important role in policymaking. The Charge in the Embassy in Moscow wrote in January of 1946 that while "We are quite prepared to believe that (the) Chinese CP like other CP's is subservient to Moscow", at the same time, "...we hesitate to accept such an interpretation as definitive." Kennan went on to observe, that the CCP had "little reason to be grateful" to the Soviets; that the CCP had survived and grown "not because but despite" its relationship with Moscow; that on the basis of their own efforts the CCP had its own political and military organization and was not dependent on Soviet support; and, that the CCP not only had "developed its own brand of Marxism" but the Party had also "taken on (a) nationalist coloration." Kennan, on the other hand, also acknowledged the close ideological affinity between Yenan and Moscow and doubted, as a practical matter, that the former had much independence of the latter. The Charge in the Soviet Union to the Secretary of State, 10 January 1946, in U.S. Dept. of State, Foreign Relations of the United States (Washington, D.C., 1972), IX, 118-119. Hereafter cited as F.R., 1946, IX; See, also, Memorandum by the Second Secretary of the Embassy in the Soviet Union, 15 April 1945, F.R., 1945, VII, 334-338; The ambivalence present in American impressions concerning the Chinese Communists perhaps is well enough illustrated by a mid-July 1945 observation by the Chief of the Division of Chinese Affairs, John Carter Vincent. While on the one hand, Vincent thought it "scarcely tenable" to argue that the nationalistic sensibilities of the Yenan leadership would allow them "willingly to alienate Chinese territory to the Soviet Union", nonetheless Vincent could not avoid that, "There is reason to believe that the Chinese Communists have a close ideological affinity with the Soviet Union...." Memorandum by the Chief of the Division of Chinese Affairs to the Under Secretary of State, 16 July 1945, ibid., 435.

[32]It was George Kennan from the Embassy in Moscow who in January 1946 suggested, "...it should be remembered that Yenan has had no latitude of choice in its foreign affairs. Events have tended to keep Yenan in -- or force it back into -- (the) Soviet orbit." While Kennan would not speculate on the prospect this condition might have for success in achieving a political settlement in China, the implication of his observation was obvious: so long as the Soviets were disposed to allow the U.S. to continue in its efforts to encourage a political settlement, the Chinese Communists had little alternative but to follow the Kremlin's lead. Kennan concluded that, "...Moscow's possibilities for making its influence effective in Yenan in decisive moments are enormous and need not be too closely related to (the) subjective sentiments of (the) Yenan Communists." The Charge in the Soviet Union to the Secretary of State, 10 January 1946, F.R., 1946, IX, 119. See, also, ante., p. 34, fn. 3.

[33]See, for example, comments by the Ambassador to the Soviet Union, Averell Harriman, "...that Marshal Stalin apparently endorsed the initiative we had taken in attempting to bring about political and military unification in China; that Marshal Stalin would in all probability continue to endorse our efforts...."; but that, "...statements made by Marshal Stalin endorsing our efforts in China did not necessarily mean that the Russians would not pursue whatever course of action seemed to them best to serve their interests." Memorandum of Conversation, by the Deputy Director of the Office of Far Eastern Affairs, 19 April 1945, F.R., 1945, VII, 341-342; The Charge in the Soviet Union wrote in late April 1945, "Stalin is of course prepared to affirm the principle of a unification of the armed forces of China. He knows that such unification is practically feasible only on terms acceptable to the Chinese Communists...."; 'Stalin's courteous reference to Chiang is gratifying, but in no sense binding for any practical purpose." The Charge in the Soviet Union to the Secretary of State, 23 April 1945, ibid., 343; See, also, The Secretary of State to the Ambassador in China, 23 April 1945, ibid., 345.

[34]A State Department intelligence report of mid-December noted what appeared to be considerable Chinese Communist confidence in their own ability to compete successfully with the Kuomintang in a coalition government, granting that the latter was genuinely representative. See, State Department, Interim Research and Intelligence Service, Research and Analysis Branch, "Estimate of the Implications of the Present Situation in China For Possible American Programs", 14 December 1945, R & A Report No. (?), III/25, UPA; At the behest of the former President in 1954, General George Marshall submitted a brief resume of his mission to China in 1946. He recalled that, "It seemed to me the Communists felt they could win their battle on political grounds more easily than on tactical fighting grounds because they had a more tightly held organization, whereas on the Nationslist side there were many contentious elements. The Communists continued on this line quite definitely, in my opinion, until early in June...." Memorandum on China by General George C. Marshall to Harry S. Truman, 18 May 1954, President's Secretary Files, Box 74, p. 5, Truman Papers, HSTL; See, also, Truman, Harry S. Memoirs: Years of Trial and Hope, Vol. II (Garden City: Doubleday, 1955), 74-75.

[35]The Commanding General, U.S. Forces, China Theater, to the Chief of Staff, United States Army, 20 November 1945, F.R., 1945, 640-660; China White Paper, 131-132.

[36]See, for example, a late November 1945 memorandum by the Secretaries of War and Navy, that "...General Wedemeyer's estimate passed to the State Department creates the impression that the achievement by the Chinese Government now recognized by the United States, of control of North China and Manchuria is remote. The War and Navy Departments consider this should not be accepted as a basis for United States action

without the most serious consideration and further exploration to determine whether further steps are practicable. The stated objectives of the United States...have included a unified China and particularly the return of Japanese-held areas including Manchuria, to the Chinese. It appears undesirable, now that the war has been won at considerable cost, to retreat from any of the stated objectives without the most careful examination"; "It is probably that delay in National Government assumption of control in North China and Manchuria will permit the Chinese Communists to strengthen materially their positions in these areas. Such delay will also influence Soviet reaction to the problem which will involve moral support for the Communists at all times and may involve material assistance. There is also the question as to how long the Soviets will consider their present agreements with the Chinese binding if Manchuria... continues without a stabilized government." Memorandum by the Secretaries of War and Navy to the Secretary of State, 26 November 1945, F.R., 1945, VII, 671.

[37]The Commanding General, United States Forces, China Theater, to the Chief of Staff, United States Army, 23 November 1945, ibid., 662-665.

[38] Ibid., 665; The Charge in China to the Secretary of State, 28 November 1945, ibid., 686-687; The Commanding General, United States Forces, China Theater, to the Chief of Staff, United States Army, 26 November 1945, ibid., 683; The Charge in China to the Secretary of State, 9 December 1945, ibid., 694-695; The Charge in China to the Secretary of State, 23 December 1945, ibid., 705-707; The Charge in China to the Secretary of State, 9 October 1945, ibid., 578-579.

[39]The best discussion of this episode of the Hurley resignation is in Buhite, Hurley, 253-271; See also, Feis, The China Tangle, 405-412.

[40]Note, for example, the Secretary of State's concern aout what Hurley might say in hearings before a congressional committee, Memorandum of Telephone Conversation (with Patrick J. Hurley), by the Secretary of State, 3 December 1945, F.R., 1945, VII, 727-728; Indeed, one of Hurley's charges was that American Chinese policy was in a state of "confusion", see, The Ambassador in China to President Truman, 26 November 1945, ibid., 722-726.

[41]One of the charges Hurley made in resigning, and which caused considerable consternation in the State Department, was that in the months before the end of the war in the Pacific, certain American diplomatic officers had displayed extraordinary sympathy for the Chinese Communists; that they had advised Yenan that Hurley's support of the Nationlist government did not reflect American policy; and that they had counseled Yenan against unifying its armed forces with those of the Kuomintang. Such accusations had explosive import both internationally and domestically as did his rather ambiguous references to

these same diplomatic officers being aligned with a British, French, Dutch "imperialist bloc" which sought to overthrow the Nationalist government. See Memorandum by the Secretary of State to the Legal Adviser, 7 December 1945, ibid., 729-730; See, also, The Acting Political Adviser in Japan to the Secretary of State, 7 December 1945, ibid., 731-732.

[42]In mid-December 1945, the Embassy in the Soviet Union reported an upswing of Russian criticism of American China policy further linking it with the Hurley resignation. The Ambassador in the Soviet Union to the Secretary of State, 20 December 1945, ibid., 702-704; Several days later the Charge of the Embassy in China observed that "Soviet procrastination in dealings with (the) Central Govt rests on ample precedent and in this instance Russian interest in possible significant changes in American policy may be responsible." The Charge in China to the Secretary of State, 23 December 1945, ibid., 706; See also, Feis, The China Tangle, Chapter 36, esp. 412, and, Buhite, Hurley, 272.

CHAPTER III

MARSHALL'S APPOINTMENT:
THE EFFORT TO RESOLVE CONTRADICTIONS

An official review of China policy actually began prior to Hurley's resignation. Wedemeyer's discouraging reports, the revelations of Chinese Communist military strength and wide popular appeal in the North, greater Nationalist administrative and military deficiency than anticipated and Soviet machinations in Manchuria, were factors which seemed to some officials to raise serious questions about the adequacy of the Administration's policy. Could officials reasonably expect that established policy would be adequate in view of deteriorating conditions in China and in the presence of fading prospects for American-Soviet cooperation?

Policymakers were alarmed and wondered whether, in view of the circumstances, both the means and the goals of policy continued to be valid; whether it was realistic to believe that the Nationalists and Communists would agree to form a coalition government which granted effective access to all political groups in China; or, whether unity and stability could be achieved through a peaceful, political compromise. Some asked if the critical nature of the situation might not require a different manner of American

involvement in China than previously believed necessary. Might the realization of American interests necessitate a more extensive commitment than implied by the established policy which, in aiming to achieve a political solution to China's internal problems, envisioned only a rather limited American role in the process to that end?[1]

Though officials were deeply impressed by these unsettling questions and by the potential shortcomings of policy, they nonetheless continued to be encouraged by the fact that no one yet could say with any degree of assurity as to what was or was not possible in terms of postwar cooperation -- an ultimate resolution of the question awaited some more conclusive signal. Consequently, the Administration's decisions on China were made in circumstances characterized by the conflicting and offsetting images of prospect and risk. Here is a crucial point. Because of this ambiguity, officials could not avoid some degree of equivocation in their decisions concerning China policy.

In the absence of sufficient evidence for officials to conclude that the established formula finally had failed, there emerged in the decision-making process a natural tendency to opt for the path of least resistance. In this case, it meant continuing in the already charted policy direction. To the extent that the preference for convenience prevailed in determining the best possible approach to the situation in China, the conceptual basis,

and as a result, the goals, of that policy remained largely intact.

This official impulse included the intense desire to achieve an uncomplicated postwar settlement through peaceful diplomatic means. The strong inclination remained to hold on to that policy and to give it every opportunity to succeed before throwing it over as useless.

But if there were multiple reasons why officials could not bring themselves finally to the point of thinking that all prospect for a peaceful political settlement was gone or that established policy was a failure, it cannot be denied that officials also were restricted by circumstances from choosing other policy alternatives had they wanted to. Certain factors in late 1945 had a coercive impact on the decision-making process and placed limits on the American potential for involvement in China.

In calculating the requirements of China policy, decision-makers could not ignore the extraordinary domestic public clamor for full-scale demobilization of the wartime military establishment and the associated demand to dismantle the restrictive wartime economy. Subsequent to the Japanese defeat, there was absolutely no justification in the public mind for keeping the troops overseas. The war was over. The forces of aggression were defeated. Now it was time to "bring the boys home" and return to the normal state of human existence which was the peaceful attending of

each citizen to his own affairs. The government naturally would concern itself with the task of reconversion to a peacetime economy. As a matter of fiscal responsibility, federal expenditures would be curtailed. The nation's resources, for several years drained by the requirements of war, would be reallocated to individual Americans, whose right it was now to develop their own fortunes on the basis of their hard earned due.[2]

Officials recognized these unavoidable pressures and understood they constituted constraints on the Administration's decision-making latitude in the foreign policy realm generally and specifically in the case of China. For example, officials knew that while the Marines probably could be left in China in order to complete the low cost mission of supporting the reassertion of Nationalist authority throughout the country, the Administration reasonably could not expect that domestic opinion would show any enthusiasm for an expansion of the American military commitment. Administration officials could justify the continuing presence of American troops in China for only so long and while there only to the extent the Marines were able to avoid becoming involved in combat situations. In the eventuality United States forces were drawn into some serious incidence of fighting there was sure to be a public outcry for their immediate evacuation.[3]

In December 1945 there simply was no basis in the public attitude to which the Administration, if it wanted, could hope to appeal in building support for an American involvement in China inconsistent with that public's obsession to enjoy the full advantage of a life unencumbered by the risk and sacrifice of war. Now with the defeat of the Axis, peaceful endeavor, without inconvenience, was the public right. Following from this, officials knew that the situation in China could not be justified in the public interest as so compelling as to warrant the death of more American soldiers or to justify an expenditure of resources in support of an expanded military commitment.[4]

In addition to placing limits on the Administration's military options, the public disposition toward economic reconversion and retrenchment in government spending also promoted the Administration's caution in granting credits, loans, indeed financial and economic assistance generally, to the Nationalist government. But here, and this appears was the more important consideration, the Administration's parsimonious attitude also reflected what would have been true under any circumstances, namely the natural exercise of fiscal and administrative responsibility by the Executive and interested government agencies. The fact that public pressures substantially reduced the available resources which could be deployed in support of foreign policy of objectives simply helped to "streamline" the

Administration's reticence to act generously in the case of Chiang's regime.

Administration officials believed the Nationalist government, as run by the Kuomintang party, was enormously inefficient and pervasively corrupt. There was no dearth of information on this score. Journalists, missionaries, businessmen and members of the diplomatic and military community, offered evidence concerning Kuomintang maladministration.[5] Just as they had before the end of the war, Treasury and other officials continued to raise questions about the desirability of granting loans, credits, or extending direct aid to Chiang's regime in the absence of some greater guarantee that American assistance would be used wisely and efficiently.[6] Pouring money down a "rathole" simply could not be justified as a matter of good sense. There was no question but that Washington could not extend unqualified or immoderate grants in aid short of some concrete Nationalist effort to establish reliable and predictable financial policies, particularly in view of domestic public attitudes about government spending.

But here is a key point. The Administration was not inclined in late 1945 to escalate the American military presence in China or to expand gratuitously its program of economic assistance to the Nationalist government and for reasons quite independent of the knowledge that public pressures would not allow it in any event. Indeed, as it

will be shown later in this chapter, there were a series of other, related reasons why the Administration thought it a good idea to maintain as low an American profile in China as officials deemed the circumstances would allow and still grant policy its best chance to succeed.

Consequently, those public demands which forced retrenchment of military and government spending generally and which reduced available deployable resources in November and December existed more in the realm of hypothetical constraints on policy-making for China. This remained the case so long as the established policy -- which did not anticipate an obtrusive American role in helping to solve China's internal problems -- appeared to retain some prospect for success. Only when the Administration finally determined that the policy founded on the Yalta accords and the Sino-Soviet treaty could no longer be expected to achieve desired results, were officials faced with the concrete problem of defining what they could do in China in terms of available resources.

By the end of 1945 officials simply had not yet been forced by international circumstances to deal extensively with the problem of determining the precise strategic importance of China to the United States' national interest. Nor, as a result of having measured the extent of China's importance, had officials yet faced - as a primary policy consideration - the concomitant problem of available and

deployable resources and possible limits on what the Administration could do to ensure preferred policy outcomes. Once officials faced the necessity of dealing with this series of related foreign policy issues in a later international environ characterized by American-Soviet hostility and belligerency, then those public demands which reduced deployable resources became a more important factor in determining the range of the Administration's commitment in China.

There was no question but that an American withdrawal from China was a completely unacceptable alternative.[7] The Administration's washing its hands of the situation would almost assuredly precipitate open civil war. It would encourage Soviet opportunism and aggression and open the way for an expansion of communist influence in East and Southeast Asia.[8] The onset of civil war in China would destroy the essential basis, and any remaining chance, for achieving a political settlement throughout the region. In late 1945, officials were cautious lest their actions result in damage to the prospect for avoiding this unwanted result. Postwar public and official aspirations continued to rest on the expectation of a political-diplomatic solution to international problems and consequently the policy designed to facilitate that goal in East Asia also remained very important.[9]

In December, 1945, there was really little else Administration officials actually wanted to do differently. There was an official feeling of having to continue with established policy. However, the nature of the American commitment continued to be molded primarily by the Administration's preference to maintain the design of established policy and by a sufficient measure of parallel official confidence, mixed with hope, that the policy would succeed. It is accurate to say that officials were persuaded this was the best possible course of action. This was so principally because it could still be argued convincingly that more would be lost in dispensing with existing China policy than by keeping it. There were several reasons for believing this.

For one thing, although the Truman Administration was beginning to have serious doubts about the potential of generating a good working relationship with the Soviets, officials were not yet prepared to assume in November and December that a diplomatic settlement of postwar problems was impossible. It was still possible to argue, without overwhelming contradiction, that the United States and the Soviet Union ultimately would find some basis for a political solution to their problems. This was true even though opinion polls indicated a significant decline of public confidence over the prospect of postwar cooperation with the Russians throughout the course of 1945.[10] There were obvious

difficulties including the ominous question of Soviet reliability especially in view of demobilization and cuts in military spending, trends which the State Department's Soviet experts predicted would produce a more intractable Russian diplomatic posture once the latter perceived the essentials of American policy were no longer based on the compelling presence of actual power. But this did not yet add up to a scenario in which American policy would have to be calculated in reference to an implacable foreign enemy.

It was this very condition, only a few months departed, which the Administration, indeed the whole world, strained to leave behind. Though officials were wary of Soviet motives, decision-makers did not want to be the first to move in a belligerent direction in a world desperate for peace. Peace had to be given the chance to succeed and that meant retaining existing policy -- the one forged on the presumption of international good will and mutual commitment to peaceful relations and on the expectation that diplomacy eventually would resolve all postwar issues.[11]

Even those who were suspicious of the Kremlin's behavior still granted that the Soviet people suffered grievously during the war and that they longed for peace as much as anyone else. It was still hard for many to believe the Soviets would not cooperate eventually in solving problems peaceably especially if the Administration acted decisively and forcefully to stake the American claim in its dealings with the Kremlin.

In view of the horrible destruction left in the wake of the Nazi invasion of the Soviet Union, it continued to be reasonable for many Americans to assume that the Russian leaders would be compelled to maintain international peace and stability as the prerequisite to their own social and economic reconstruction. Or, that Stalin would not fail to see the higher merit of sustaining a good relationship with American leaders as the natural price for receiving generous outlays of economic assistance for Soviet reconstruction.[12]

In view of the uncertainty, therefore, officials were still inclined to rely on the Yalta and the Sino-Soviet agreements; agreements which limited Soviet influence in East Asia, which obligated the Kremlin to support exclusively the Nationalist as the government of China, and, more specifically, which appeared to encourage a political solution of the Chinese Communist problem by eliminating their option of independent Soviet aid.

Dispensing with a policy which included a diplomatic pattern still satisfying to the American national interest on the basis of suspicion of Soviet motives would have amounted to a decision which was sure to be challenged as foolish both at home and abroad. The Administration would have found itself hard pressed to justify a posture of belligerency toward its former ally in view of all the laudatory wartime propaganda concerning the Russians and in

the face of the public's ecstactic relief that hostilities were finally over. It would have divided the country.[13]

Open and excessive censure of the Soviets would have been vaguely comparable to the ethical and procedural implications of a presiding judge expressing sure confidence in a defendant's guilt at the outset of a trial, except that, in the case of Administration belligerency toward the Soviets, the magnitude of the consequences would have been far more serious. Not only would a contentious policy have diminished the remaining chances for achieving a peaceful political solution to postwar problems, it might have reduced the intensity of commitment on the part of the world community in making meaningful contributions to an effective and ongoing United Nations. The Administration could hardly ignore that it had the chief responsiblity for doing all it could to insure success of that organization.[14]

A concerted Administration attack on Soviet foreign policy seemed unwise for the time being for another reason. If the Soviets countered these criticisms by dropping any remaining inclination to cooperate, the Administration would then be faced with the prospect of making critical decisions affecting the nation's security.

However, in the presence of definite ceilings on deployable resources and with the prospect of further future reductions, Administration officials were not prepared to make these decisions. Though in private already upset at

Soviet machinations, policymakers continued to display considerable caution in their public statements. There was no sense in provoking the Soviets unnecessarily or prematurely into acting in a manner which was likely to place enormous strains on the nation's increasingly scarce resources.[15]

In sum, because the decision-making environ was characterized, on the one hand, by an international yearning for lasting peace and stability, and, on the other, by a Soviet government whose actions could not yet be unequivocally identified as dangerously aggressive, and, given the presence of a diplomatic structure which still retained the glimmer of potential, there was no significant official urge to move in a new policy direction. Under the circumstances, it seems inappropriate, now in retrospect, to criticize the Truman Administration for not accepting its suspicions of Soviet motives as the more compelling determinant of policy than the then present desire to work through all possibilities to a peaceful solution of postwar problems before accepting the inevitability of conflict with the Kremlin.

Beyond these aspects of the decision-making environ in late 1945 there was another unavoidable domestic consideration which, to Administration officials, appeared to further justify the wisdom of their decision to continue with the policy of political compromise. Some Americans thought United States meddling in Chinese affairs, or anyone

else's, would be unacceptably imperialistic. Consistent with the strong anti-imperialist and anti-colonial strain in the American intellectual tradition, many argued that the principle of self-determination of peoples, recently incorporated in the United Nations Charter, in 1945 more than ever precluded American interference in the domestic affairs of other people. Some suggested that a unilateral United States presence in China would contravene the spirit of collective action through the United Nations to settle international disputes. If the United States persisted in this it could destroy the future utility of that organization so recently established at the San Francisco Conference.

The import of these several arguments was not lost on Administration officials. The nation's historic commitment to anti-imperialist ideals, also argued in justifying the United States entry into the war against Germany and Japan, made it almost imperative, if the United Nations was to develop into an effective organization as visualized, that the Administration's foreign policies not be construed as flagrantly inconsistent with the hopes and aspirations surrounding the San Francisco meeting. Sustained commitment to the formation of the United Nations on the part of the international community realistically could not be expected, if convincing charges of imperialism were to be directed against one of that organization's principal authors.[17]

Thus policymakers were strongly disposed to avoid any appearance of an excess of American pressure on the Chinese, some indelicate over-involvement in China likely to produce the accusation of United States hypocrisy with respect to the principle of national self-determination. Since this need coincided with the essence of the established policy toward East Asia, which included the key assumption that a significant American presence in China would not be required, decision-makers naturally felt reluctant to dispense too quickly with the familiar policy pattern.[18]

But if the existing policy was worth retaining despite a deteriorating performance, certain of its components would have to be altered. To begin with, Patrick Hurley would have to be replaced. News of the Ambassador's resignation reached high Administration officials while attending a scheduled Cabinet luncheon. The President's announcement was the first that any had heard of the episode. Still in the meeting, it was the Secretary of Agriculture who declared that General George C. Marshall ought to be asked to fulfill the role vacated by Hurley. This initial advice that Marshall be approached appears to have been spontaneous. Yet it could not have been a more apt suggestion in view of the necessities of the time and apparently was enthusiastically accepted.[19]

Marshall's appearance on the scene would bring a level of vitality and credibility to policy which the person

of Hurley could never have been expected to generate. Marshall was an important American. On the foundation of his wartime service his public stature was extraordinary and not only in the United States. His appointment, as few others, would give the Administration an excellent chance to repair the damage done by Hurley's criticisms.

On the home front, Marshall's association with policy would effectively subvert whatever tendency might exist among political opponents who were prepared to use Hurley's resignation as a basis for criticism of the Administration. A solution in China was going to be troublesome enough as it was without the irksome distraction of the President having to defend his policy at home.

But, more importantly, Marshall's appointment would introduce a badly needed imagery into the situation. The assumption of responsibility for American policy by a man of such enormous prestige would be an indication to the Soviets that the Administration continued to be keenly interested in Chinese affairs. His appointment would announce that the American government still intended to assume the initiative in carrying through as planned. Marshall's association with policy would strongly imply that the Soviets ought carefully to consider before attempting to take advantage of deteriorating conditions in China. Likewise, it would be a sign to both Nationalists and Chinese Communists that the Administration still perceived that a

political solution in China was imperative and that it was vital to avoid a civil war.[20]

Beyond this, certain other policy alterations would be well advised. In view of the expanding conflict between Communist and Nationalist forces, the process of repatriating the Japanese was going more slowly than expected. Moreover, Nationalist troops had yet to be transported into Manchuria. As fighting spread, American officials increasingly were disturbed that unless the remaining Japanese troops were evacuated from the country as quickly as possible, their presence might disrupt prospects for a negotiated settlement of China's problems. There were reports that Japanese troops were being utilized by both Nationalists and Communists to enchance their own military advantage. The longer the Japanese stayed the more likely it was that, in being used by one side against the other, the effort to create some more effective political balance in the situation could be seriously upset.[21] Also, the longer the period before the Nationalist government exerted its effective control in Manchuria the less likely were the prospects of achieving stability in the area and the more likely the Soviets would find an excuse for imposing their own administration.

The Administration's view of the need to get the remaining Japanese (and Russian) forces out of China, though, rested on more than this practical consideration. The need

to remove foreign influence also rested on the not very novel American idea that there was a causal relationship between foreign meddling and internal divisiveness and instability.

The notion derived from the traditional United States concern for that country manifest in long-standing expressions of commitment to the "Open Door" principles of international free trade and the territorial and administrative integrity of the "Middle Kingdom". More explicitly, this view derived from American intellectual traditions of anti-colonialism and anti-imperialism and from the broad commitment to the political principle of self-determination for all peoples. In late 1945, therefore, the absence of a foreign presence was important, for only then, so ran the logic, could a natural balance of forces native to China be expected to result in a lasting condition of unity and stability.[22]

So American Marines would have to stay in China longer than planned in order to achieve Japanese repatriation and to ensure effective Nationalist control of Manchuria. This, a second modification in China policy, the Administration believed imperative despite Wedemeyer's warning that so long as United States troops remained in the present volatile circumstances, they ran the risk of becoming involved in the fighting.

Keeping the Marines in China created a related dilemma. The United States China Theatre Command was not above allowing armed Japanese troops to continue to maintain order in certain areas of China until Kuomintang forces could be transported in to assume effective responsibility. But this was not a condition amenable to the sensibilities of the Chinese Communists who, in view of their self-supposed political legitimacy, saw no reason why they should not be allowed to accept the Japanese surrender, especially in those areas in North China which they had long controlled.

Yet this American use of Japanese troops, surely galling to Yenan in view of its own contributions to the war of resistance against Japan, was in accord with the Administration's policy which was designed to re-enforce the legitimacy of the Nationalist government by assisting in its assumption of direct control in all parts of the country.[23] The prospect of having to continue to do what might prove to create friction between the United States and the Chinese Communists was not a pleasant one for Administration officials concerned to achieve a genuine political settlement. The more quickly the task of Japanese repatriation could be accomplished, the sooner this unwanted situation could be eliminated.[24]

Despite these real dangers, there was the additional factor of the Soviet presence in Manchuria. Although it created another delicate problem for the Administration,

officials thought it important that the Marines also remain as a counter to Soviet power until the latter evacuated the region.[25] On the one hand, this would have to be calculated carefully so as not to appear provocative to the extent of alienating the Soviets, prompting them to subvert a negotiated settlement. At the same time the Administration could not expect to leave American forces much beyond the Soviet evacuation for fear of being left open to the charge of imperialistic interference in China's internal affairs.[26]

The time seemed right for a further adjustment in policy which officials hoped would dissipate effectively the internecine forces at work in China. Earlier in September Truman promised Chiang that the United States would be willing to help China create an armed force of sufficient size for use in maintaining internal peace and stability. The essential qualification was that this support in the form of training and equipment not be used for the purpose of engaging in "fratricidal warfare" or to support the continuance of an "undemocratic administration".[27]

Now in December, as a third modification in policy, the President prepared to go further in order to induce the Nationalists and Communists to settle their differences peaceably. Marshall would carry with him on his mission to China the pledge of substantial American economic aid, in addition to the earlier promise of military assistance, if the two would put an end to their fratricidal conflict and

come together in a genuine effort to create an effective coalition government open to all political factions. Officials hoped the prospect of such aid would prove a more attractive alternative than the one of continuing civil war.[28]

In a related vein, Marshall also was authorized to voice the threat of a reduction, even withdrawal, of American support to the Nationalist government if the Kuomintang leadership proved unwilling to contribute a political settlement and to establish a coalition government.[29] Secretly, however, the President, Secretary of State Byrnes and Marshall were agreed that this threatening posture was a mere bluff tactic. In the eventuality the Kuomintang proved intransigent in these matters, the Administration, it had been decided, would have no option but to continue some form of support to Chiang's regime.[30]

The Administration's assumption of responsibility in this regard originally obtained from the mosaic of reasons which earlier had produced an official unwillingness to look to any other than Chiang Kai-shek and his government as the central focus of American China policy. But by the end of 1945 Washington's sense of obligation was joined by an official logic which dismissed the option of the United States completely withdrawing its support to the Nationalists or pulling out of China altogether even if a political settlement could not be achieved.

The elimination of this policy alternative followed from a series of related propositions which decision-makers in 1945 were beginning to suspect were true and after the Spring of 1946 were convinced possessed an axiomatic validity. As it related to China, the Administration's presumption was: in the event of a United States withdrawal of support from its non-communist ally, the Kremlin would assume the action reflected a more general American timidity in international affairs, and, hence, a clear signal that a more aggressive Soviet posture in the world likely would have the effect of producing a United States capitulation elsewhere. Already in 1945, decision-makers had begun to toy with the notion that there was a sliding, proportional ratio between the degree of foreign policy irresolve displayed by the Administration and the level of Soviet international aggressiveness and belligerency. On the other hand, the more forceful and resolute the Administration appeared, the more circumspect the Kremlin could be expected to act.

The origin of such thinking undoubtedly must be considered complex. There is little question but that the experience with the Axis powers in the 1930's played a major role in encouraging the idea that a display of weakness merely encouraged the forces of aggression. Even the domestic experience of decision-makers where the images of bravado and bluff constituted an intricate part of the process

of competition with political adversaries may have had some impact on this assessment of the Kremlin.

Most importantly, however, the formulations of this increasingly convincing analysis of Soviet behavior once again came from influential State Department personnel in the Division of East European Affairs and those attached to the American Embassy in Moscow.[31] So far as it affected the directions of Truman Administration China policy, there is no way the importance of this view may be overemphasized. It is not possible to identify a single more important determinant of the nature of American China policy in the years intervening between the Second World War and the Korean conflict.

Already by the Fall of 1945, the tenor of decisions on China policy was shaped by the official belief that the necessities of American foreign policy demanded continuing some form of support to Chiang Kai-shek for fear that, if it were withdrawn, it would encourage the international irresponsibility of the Kremlin. The question of what impact the Administration's actions in China would have on the planning and policies of the Kremlin or what effect this or that American maneuver in China would have on the United States-Soviet strategic equation subsequently remained the salient issue of decision-making about China until the North Korean attack on the South in late June of 1950. It provides the essential explanation as to why officials never

seriously considered the alternative of withdrawing from China in the immediate aftermath of the war and why the Truman Administration never conceived it possible to dissociate itself entirely from the Nationalist regime during the period 1945-1950.

In summary, in planning the Marshall mission, officials determined that the existing policy pattern, while generally worth preserving, would require certain modifications. The most obvious need was to replace Hurley. Because Marshall appeared to add a new vitality and credibility to policy in assuming responsibility for its direction, his appointment, in effect, amounted to one major renovation. A second was the decision, based on several considerations, to retain American Marines in China beyond the time previously thought necessary. A third alteration consisted of a new promise of substantial American technical advice and assistance if the Kuomintang and Chinese Communists settled their differences peaceably although coupled with the implied threat, in actual fact a bluff, of cutting off aid if they did not. The Administration did not consider it necessary or feasible to go beyond these several modifications.

However, if officials were correct in thinking they had adequately compensated for certain deficiencies within the established policy pattern, they also understood that the negotiating environment could be expected to remain

attractive only if the nature of the American involvement in China reflected the Administration's seriousness of purpose in the pursuit of its goals. This meant sustaining those limits to the American involvement which naturally followed from the earlier official expectation that solution of China's internal problems would not require a major United States involvement -- limits which at the end of 1945 had to be reaffirmed so as to encourage a political settlement.

This is a very important point. In November and December of 1945, officials assumed the necessity of retaining limits on the American economic and military involvement in China, not principally because domestic public demands reduced available deployable resources, but because limits were necessary in order to convince all concerned that the Administration sincerely wanted the Kuomintang and the Communists to achieve unity and political stability in China. In a more negative vein, officials also conceived of the fact of limited American assistance as a condition they could manipulate for the purpose of pressuring both groups to negotiate.

For one thing, officials thought it necessary to limit American involvement, specifically on the level of aid to the Nationalists, in order to assure the Chinese Communists that the Administration genuinely intended to encourage the development of a firm basis for political compromise. Administration actions, therefore, would have to sustain as

much of the image of fairness as possible. The appearance of such could not hope to survive an excess of unqualified American support for Chiang's regime. Under those circumstances, the Administration's and Marshall's credibility would be destroyed as would all prospect for the General playing an effective mediating role.[32]

Overcommitment to the Nationalists also might have reduced the Soviet willingness to support American purposes in China by appearing to the Kremlin as though the Administration was moving in a direction contrary to the spirit of compromise. A large and gratuitous expansion of American assistance to the Nationalist government at the end of 1945 would have seemed a clear departure from the tenor of the American involvement since the end of the war. In that event, Soviet suspicions might have translated into some countering maneuver at the expense of Great Power cooperation on the problem of China.[33]

An excess of aid to Chiang and his regime, officials also were convinced, would strengthen the hand of those high Kuomintang officials who were less inclined to negotiate with the Communists. Even more seriously, officials surmised that large outlays of support to the Nationalists might encourage Chiang and his generals to seek the destruction of the Communists by military means -- from the Administration's standpoint a most unwanted result.[34]

Officials also believed the Kuomintang could not survive as a vital force in Chinese politics if it developed an overdependence on American support. An excess of unqualified American aid to Chiang's regime was sure to produce the charge of imperialistic meddling. It would do no good for the Nationalist cause, already closely associated with the American presence in China, for United States policy to be condemned in this manner. The nationalistic credibility and political fortunes generally of Chiang's regime would not be well served under any circumstances if it became identified by the invidious image of being a reactionary and undemocratic regime whose only basis of continued existence was the presence and support of Western military power.[35]

Overdependence on American support, officials thought, would more than merely tarnish the Kuomintang's nationalistic credentials. It also would eliminate the incentive for the Kuomintang utilizing its own imagination and resourcefulness in dealing with problems it alone had to solve before it could expect to compete successfully with the Communists on a continuing basis. Not only did the Kuomintang need to rid itself of its own pervasive corruption and inefficiency, but this as a prerequisite to helping carry through an extensive program of genuine social and economic reform.

Only to the extent the Kuomintang became identified with progressive trends in China could it expect to

generate sufficient popular support to offset the wide appeal of the Communists. Administration officials were convinced that too much American aid would encourage the Kuomintang reactionaries who were not only opposed to internal reform which would disturb their power base but as well to the price of social and economic amelioration generally.[36]

Finally, officials hoped that the fact of limited American aid to the Chinese, coupled with the promise of substantially greater aid in the event a coalition government was formed, would encourage the Kuomintang and the Communists to settle their differences at the conference table and not on the field of battle.[37]

It would be useful to consider and eliminate those factors which some have suggested had a signficant influence on policy formation but which actually did not. There are reasons advanced to explain the Truman Administration's unwillingness to go all out in its support of the Nationalist government.

Assuming there was no valid excuse for the Administration not giving full and unqualified support, one interpretation suggests that limitations on American support for Chiang resulted from the considerable sympathy which some responsible State Department and Administration officials had for the Communist cause in China. As earlier

noted there were some lower echelon State Department personnel, who, on the basis of their diplomatic service in China during the war, concluded that the Communists were a better political alternative for the Chinese people than the corrupt, inefficient and socially unresponsive Kuomintang. Among these individuals, a few also exhibited a tendency to see the Communists in a more favorable political-philosophical light than the existing regime.[38] However, sympathy for the Communist cause among those in the State Department in Washington concerned with China, or in decision-making circles generally, simply did not exist.

In a related vein, there is no evidence to suggest the Truman administration limited its support to Chiang Kai-shek because his regime was believed by its nature to be politically unacceptable, i.e., a right wing, fascist-type government which did not merit American support. It is true that high echelon officials were uncomfortable with the undemocratic character of the Nationalist government. Yet, as has been demonstrated, this was primarily because the Administration believed this aspect of the regime was an important obstacle to creating an effective coalition government and to achieving unity and stability in postwar China. This was not a complaint with the Nationalists, however, which proved to be an effective deterrent to extending support in any and all event. Chiang's regime would have to be sustained in some form, as the only available non-communist alternative in China.

The Administration did hope that the prospect of aid could be construed so as to encourage Kuomintang reform -- a trade, one for the other. To reiterate, it was important that the Kuomintang become an energetic and progressive political organization if it expected to be able to compete effectively with the Chinese Communists. And it was important that the Nationalist government be reformed to the point of allowing genuine coalition opportunities. The question of aid could be used to encourage this change as well. But at the decision-making level it was never argued, so far as the record shows, that aid to Chiang be limited because his regime was right wing in nature, because it was "fascist". In this case, the Administration did not conceive it had the luxury of making decisions on China which satisfied the logic of some more liberal political-philosophical preference.

As discussed earlier, it is correct that Administration officials accepted the accuracy of reports the Kuomintang-dominated Nationalist government was administratively inefficient and possessed of serious corruption. It went without saying, there would be no granting of carte blanche to such a regime. Fiscal propriety required that responsible officials request some prerequisite for the extension of certain types of American aid. It was only reasonable to presume that the Nationalist government initiate those reforms which would insure that American aid be used to effective ends.

But here also it must be stressed that the Administration was determined to extend support to Chiang's regime despite the discouraging evaluations of Chinese fiscal reliability and the urging of some agency officials that the Administration require substantial Nationalist reform as the price of further American grants in aid.[39] In this case as well, the Administration was not above attempting to use the prospect of aid as a means to pressure the Nationalist government into making the perceived necessary fiscal reforms. But American officials never conceived the issue of aid was characterized by a simple duality - either aid to be used responsibly or no aid at all. Rather, it was a question of how to get the best results in the process of granting assistance. As it turned out, in a relatively short period of time, because of higher policy necessity, the Administration extended aid to Chiang's regime even though the Generalissimo only promised to initiate reforms. Despite continuing aid of one sort or another, he never did.

A knowledge of Chinese corruption and inefficiency, and a demand for reform as the prerequisite to aid, then, were not, a priori, key determinants in the policy of American assistance to the Nationalist government. Rather a sense of the regime's deficiencies existed more nearly as one in a series of criteria for monitoring and, as it turned out, moderating the details of aid but in context of already established policy which was to support the Nationalists as the only possible government of China.

Though it may seem likely to suppose that pro-Chiang Kai-shek public opinion in the United States was something of an influential consideration in determining Truman Administration China policy at the end of 1945, in fact it was not. There is no denying that Chiang's prestige in this country had by 1945 reached considerable proportions especially on the foundation of favorable reporting in the American press such as, for example, in the case of Henry Luce's Time and Life magazines.

The editorials of the Luce and other publications portrayed Chiang as the hero of the resistance against Japanese aggression in East Asia and as the loyal American ally after 1941. Chiang was characterized further as a repository of Christian and Western democratic values. And this manner of portrayal was effective to the extent that it coincided with the belief by many Americans that the influence of such values was essential to the future development of Chinese society. On the more negative side he was already being touted as the great bastion in China, righteously poised against the spread of revolutionary communism. Generally, Luce (and others) argued that the United States, a virtuous nation in the fact of the character of its citizens, victorious in the world war and now with unprecedented power, had to face its unavoidable responsibilities in the world. In China that meant giving full support to Chiang Kai-shek. Only he could hope to achieve what was best for

China which in Luce's opinion was also best for the United States.[40]

These and other enthusiastic evaluations of Chiang were present in the public media in 1945 and reflected the interest of some persons in Congress and the public at large in seeing the American government take a more unequivocal stand in support of the Nationalists.[41] Thus, it would be reasonable to assume that the intensity of this pro-Chiang sentiment created a factor which the Truman Administration had to reckon with in the process of calculating the essentials of its China policy. But the utility of this observation would depend largely on the question of whether or not the Administration actually was interested in finding some alternative to the policy of supporting Chiang and his regime. It has been argued already at length that the record shows this was not so.

The Truman Administration was committed to the support of the Nationalist government for reasons quite independent of pro-Chiang public sentiment in the United States. It does not appear, therefore, that public sympathy for Chiang limited Administration policy options. There is no evidence in the available record to suggest the Truman Administration formulated its China policy in 1945 in deference to a pro-Nationalist public opinion; that the Administration, because of this public attitude, acted in a manner toward China which it might not have otherwise.

This is not to say that some Administration officials were unaffected by the argument that the United States did have obligations to Chiang as a former ally. Nor is it to ignore that some officials undoubtedly accepted the validity of the media-created image of Chiang Kai-shek - a symbol of what was, by certain American standards, fine and decent in Chinese society. But though such feelings were present in the Administration, sentimentality was not the trigger in the decision making process on China. Rather, as it has been suggested, the Administration's approach rested on a series of calculations which together appeared to offer little alternative to the policy of dealing with the problems of postwar China through the continuing political presence of Chiang and the Nationalist government.

Moreover, it is also instructive to observe that domestic public support for Chiang and the Nationalists did not go unchallenged. Chiang did not receive a uniformly good press in the United States. Many Americans with prewar and wartime experience in China had developed considerable antipathy toward the Generalissimo and his regime. Already in 1945 many individuals showed little hesitation in criticizing the various shortcomings of the Nationalist government.

These often quite accurate complaints were in turn used by various individuals and groups for their own purposes. Certain members of Congress used such criticisms to

argue that the United States could not afford to underwrite the poor-risk Nationalist government. In view of the charge that the regime was corrupt and inefficient, there was concern that the extension of aid would constitute an unnecessary and unacceptable drain on American resources.

Others in Congress and in the public at large argued that the Nationalist regime was undemocratic and authoritarian and were bothered by the prospect of giving aid to a government which by its nature seemed to contravene those principles for which the United States supposedly had gone to war in 1941. Left-wing and communist groups, the latter dutifully following the Party line, revealed dissatisfaction with what they believed was the Nationalist responsibility for political affairs in China not moving in a more peaceful and "democratic" direction, calling either for the Administration to force Chiang's regime to carry out reforms and seriously negotiate with the Chinese Communists or to withdraw all American support if his government failed to comply.[42]

The point is, although the Administration's formulation of China policy did not recognize the preferences of Chiang's critics any more than those of his supporters, pro-Chiang sentiment advocating stronger backing of the Nationalists was nullified by a good deal of contrary argument in late 1945. If the Administration had been intent on severing its ties with the Nationalists at this time, a

government induced publicity campaign to this end would have met with considerable support.

Moreover, an Administration intent on getting out of China in 1945 could have tapped the reservoir of traditional American isolationism in developing effective domestic political justifications for a policy of withdrawal. And, it should not be forgotten that a significant number of Americans, some with a philosophical commitment to the principle of self-determination for all peoples, many with strong anti-imperialist sentiments, and others determined to see that no foreign American involvement contravened the principles of the United States Charter, were in late 1945 opposed to interference in China's internal affairs. Officials also would have been able to count on this segment of the public to applaud an Administration disavowal of its commitments to the Nationalist government.[43]

In 1945 public opinion provided neither a strong basis for supporting the Nationalist government nor for abandoning it. So far as the record indicates no clear signal of public attitudes forced the Administration to avoid some particular policy or to produce one, which, in either case, would eliminate the issue of China as a liability in domestic politics. To this extent, then, public opinion does not appear to have had any significant influence on decision-making.

So, in late 1945, though some officials responsible for China policy were dubious of the prospects for success and though all were aware of the risks, the Truman Administration, in continuing in the existing policy direction, was determined to use every last opportunity to influence the Chinese to settle their differences peaceably. American energies to this end would be concentrated in a special mission commanded by General Marshall. Officials believed the mission was the best response to the situation in China which the Administration could hope to produce under the circumstances and in sight of the full range of policy-making considerations. If anyone could succeed in the venture Marshall could and indeed, in the Administration's view, his mission, as calculated, maximized whatever potential remained in the established and preferred approach to China.[44]

In conclusion, it may be instructive to suggest that in late 1945 the requirements of the Marshall mission were calculated during the process of "crossing over" between two very different decision-making environments. The first was not only characterized by the overwhelming desire for peace but included the principal assumption that negotiation and compromise eventually would be successful in resolving the major postwar issues. And, cooperation between the Great Powers, especially the United States and the Soviet Union, continued to be accepted as a possibility, even probability,by a large number of Americans.

In the second, and superseding, environment there was no diminished yearning for peace. But the principal assumption was it might not be possible to have peace, as it was surely the case that negotiation and compromise could no longer be expected to resolve all postwar problems. The United States would not be able to cooperate diplomatically with the Soviet Union. Because of presumed Soviet opportunism and aggression, the Administration determined it would have to take a firm stand in the face of the Kremlin's international irresponsibility. That was sure to cause hostility and conflict, possibly even war.

But in November and December 1945 American officials were only beginning to contemplate the still vague outlines of this more ominous contingency. They did not yet accept the policy-making requirements of that international condition which eventually came to be labeled the Cold War. The desire to find some peaceful way to resolve issues remained strong. That the Marshall mission was patched together in the "space" between these two decision-making environments, each with its own somewhat exclusive set of policy priorities and strategies, goes a long way toward explaining what appears to have been profound contradictions in American China policy at the time.

It explains why Marshall was sent despite an official suspicion the Soviet leadership would not prove supportive of the mission's intent; why the mission was

dispatched despite serious questions concerning the nature of the Soviet-Chinese Communist relationship and how this might detract from Marshall's mediation efforts; why he went despite accumulating American doubts as to the staying power of the Kuomintang in the face of adversity; why the mission was sent - as it turned out - with a virtual absence of resources to guarantee success; why so much of the potential for successfully achieving a political settlement was predicated on the necessity of good faith from all parties involved when actually officials suspected there might be an insufficiency of that vital ingredient. It explains why so much American thinking about the prospect for success appears to many observers in retrospect to have been naively optimistic when in fact officials were well aware of the considerable risk for failure.[45]

Officials intended that Marshall's successful handling of the situation would have the effect of smoothing over these visible contradictions in the decision-making environ. They hoped Marshall's stature and energy would bridge the widening gap between the existing policy which sought a political-diplomatic solution in China and the developing awareness of risk in thus continuing -- a risk predicated on the emerging view that many international issues, including the problem of China, might not yield to a negotiated settlement. The fact that the effort to reconcile these contradictions eventually failed does not appear

to diminish the merit of the attempt in view of the then enormous public desire that government officials find some way to create an international foundation for lasting peace.

[1]See, Feis, The China Tangle, Chapters 32 & 35; See, also, the series of documents, "General Situation", F.R., 1945, VII, 578-721.

[2]This public demand constituted the major policymaking factor in 1945 after V-J day. Opportunities are endless for documentation on this point, thus, the following are altogether arbitrary citations. See, for example, Truman, Years of Trial and Hope, 91; In an oral history interview, George M. Elsey (in 1945 a member of the White House Staff) noted that in the aftermath of the war, "The Congress and the country were hell-bent to get out of Europe, get home, get the war over with." Oral History Interview, George M. Elsey, February/March 1964, July 1969, April/July 1970, p. 347, HSTL; See, also, Notes on China, 23 July 1953, Princeton Seminars, Acheson Papers, HSTL.

[3]A cursory reading of White House mail (letters and telegrams) for the months after V-J day in 1945 and into 1946 reflects not only considerable criticism of the Chiang Kai-shek regime as corrupt and not worth supporting, but reveals also an overwhelming sentiment in favor of demobilizing American troops in China -- a large number of "bring the boys home" letters. See, Truman Papers, Official File, Box 632, Harry S. Truman Library, Independence, Mo.; Truman Papers, President's Secretary Files, Box 173, ibid.; See, also, Varg, Closing of the Door, 234-235.

[4]In 1953 in a discussion concerning U.S. China policy for the years 1945-1952, which included Dean Acheson (in 1945 who was an Under Secretary of State) and Herbert Feis, among others, the late 1945/early 1946 period was recalled as one in which domestic public opinion would never have allowed American intervention in China on a scale sufficient so as to guarantee some preferred outcome. Notes on China, 23 July 1953, Princeton Seminars, Acheson Papers, HSTL; See, also, Varg. Closing of the Door, 242-243; In reporting on American public opinion in the latter part of December 1945, Under Secretary of State Acheson wrote to General George C. Marshall in China that mail to the White House was "practically unanimous in opposing U.S. participation in the Chinese Civil War."; "In light of this and other types of evidence, the conclusion is that the use of U.S. troops in China is unpopular with the American people." The Acting Secretary of State to the Charge in China, 20 December 1945, F.R., 1945, VII, 786.

[5]See, Steele, The American People and China, 27-31; Paul A. Varg. Missionaries, Chinese and Diplomats: The American Protestant Movement in China, 1890-1952 (Princeton: Princeton University Press, 1958), 275-276, 288-289, 292-293; Notes on China, 23 July 1953, Princeton Seminars, Acheson Papers, HSTL. (In this last citation, the point is made that at war's end a number of American military personnel were none to happy with the Chiang regime; there was no attitude that "Chiang played ball with us, now we'll play with him."); See, also, a memorandum from Owen Lattimore to Ambassador Edwin W. Pauley (Personal

Representative of the President on the Reparations Commission), that, "It would...be incautious to take it for granted that the present strong anti-Russian trend in America means that there will be strong support for...heavy intervention in China. On the contrary there is a danger that the Administration may run into increasingly heavy criticism. There are two sources of criticism that should be especially watched for danger signals: a) civilians getting back into China -- especially missionaries and others who get into the interior away from the ports and in touch with the common people; b) returning servicemen from China, who almost universally have a strong dislike for Chungking officials and Chinese regular officers." Memorandum from Owen Lattimore to Ambassador Pauley, 28 November 1945, President's Secretary Files, Box 73, Truman Papers, HSTL.

[6]Memorandum by the Treasury Department Representative in China and the Assistant Commerical Attache in China to the Charge in China, 19 December 1945, F.R., 1945, VII, 777-783; The Charge in China to the Secretary of State, 8 October 1945, ibid., 1165; The Consul-General at Shanghai to the Secretary of State, 13 November 1945, ibid., 1175-1177; See, also, The Acting Secretary of State to the Charge in China, 19 December 1945, ibid., 1376-1377; The Consul-General at Shanghai to the Secretary of State, 20 December 1945, ibid., 1377-1378.

[7]The available documentary evidence does not reveal that any government official concerned with China policy after V-J day advocated an American withdrawal from China.

[8]See, for example, General Marshall's remarks, that the longer the delay in getting Nationalist troops into North China and Manchuria -- a task officials knew could not be accomplished without American assistance, "...the less probability of the Generalissimo's being able to establish a decent semblance of control over Manchuria, and the consequent certainty that the Russians will definitely build up such a control." Memorandum by General of the Army George C. Marshall to Fleet Admiral William D. Leahy, Chief of Staff to the Commander in Chief of the Army and Navy, 30 November 1945, ibid., 748.

[9]See, a draft War Department statement of late November 1945, "It is the firm belief of this Government that a strong, peaceful, united and effective 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 U.S. 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 U.S. and all sovereign

nations that the people of China overlook no opportunity to adjust their internal differences without resort to violence." Draft Statement Prepared in the War Department, no date, (late) November 1945, ibid., 749.

[10]See, Theoharis, Seeds of Repression, Appendix I, "Popular Attitudes Concerning Foreign Policy."; Gaddis, Origins of the Cold War, 289.

[11]See, Notes on China, 23 July 1953, Princeton Seminars, Acheson Papers, HSTL. (On this point, the comment is made that at war's end there was the quetion of "the frame of mind of the non-Soviet world", i.e., the question was, would the public accept a hard stand in China with respect to the Soviets and the Chinese Communists before other techniques were first given a chance?); See, Gaddis, Origins of the Cold War, 206; It is of some interest to note that despite considerable suspicion of Soviet motives, probably the most hardline of any top officials, the Secretaries of War and Navy, in late November 1945 were suggesting that the United States approach the Soviets for the purpose of obtaining clarification and agreement on a series of questions concerning Manchuria and the occupation of that province by the Nationalist government. See, Memorandum by the Secretaries of War and Navy to the Secretary of State, 26 November 1945, F.R., 1945, VII, 677; Minutes of Meeting of the Secretaries of State, War and Navy, 27 November 1945, ibid., 685; Secretary of State Byrnes still was inclined to give the Soviets the benefit of the doubt in January of 1946. He observed, "My estimate is that at this time he (Stalin) intends to live up to his treaty with China and will not intentionally do anything to destroy our efforts for (a) unified China", 4 January 1946, F.R., 1946, IX, 18; See, also, Steele, American People and China, 32; In late January of 1946, Stalin reiterated to the American Ambassador, Averell Harriman, as the latter was leaving Moscow for the last time, his (Stalin's) implied support for the American policy of mediation between the KMT and CCP. Harriman, Special Envoy, 531-532.

[12]On this matter of using the prospect of American economic assistance as a device by which to encourage Soviet cooperation on various postwar diplomatic questions and for American expectations as to the projected utility of this device, see, Gaddis, Origins of the Cold War, Chapter 6, 215-224; Harriman, Special Envoy, 450.

[13]Gaddis, Origins of the Cold War, 224-243; In the planning of Amrican policy toward China in the late months of 1945, the factor of public opinion and potential criticism of an excessive American involvement in China's internal affairs was a common consideration in the minds of policymakers. See, for example, Memorandum by General of the Army George C. Marshall to Fleet Admiral William D. Leahy, Chief of Staff to the Commander in Chief of the Army and Navy, 30 November 1945, F.R., 1945, VII, 748.

[14]See, Seyom Brown. The Faces of Power: Constancy and Change in United States Foreign Policy from Truman to Johnson (New York: Columbia University Press, 1968), 31-33; Virtually all of the arguments present in 1945 after V-J day against a significant increase in nature of the American presence in China included the expectation that it would be criticized as "intervening unilaterally, contrary to national policy, in the internal affairs of China...." Memorandum by the Director of the Office of Far Eastern Affairs, 19 November 1945, F.R., 1945, VII, 640.

[15]Brown, Faces of Power, 36; One reason that policymakers were determined to maintain limits on military assistance to the Nationalist government in 1945 was to ensure that the Soviets did not see it as an attempt by the U.S. to establish a military foothold on the East Asian mainland. Report by the State-Way-Navy Coordinating Committee, 22 October 1945, F.R., 1945, VII, 588-589. (In this SWNCC report, the comment is made, "...one must keep the U.S.S.R. in mind...as a competitor in the event that we do supply materials and advice on a scale which the U.S.S.R. might interpret as threatening." Ibid., 588); The Commanding General of U.S. Forces in China, Albert C. Wedemeyer, observed in latter November 1945, that American, "Interference in the internal affairs of China... might involve the U.S. in a serious dispute or possibly war with Soviet Russia." The Commanding General, U.S. Forces, China Theater to the Chief of Staff, United States Army, 20 November 1945, ibid., 658.

[16]See, for example, questions raised by members of Congress concerning American interference in China's internal affairs, The Under Secretary of State to Representative Hugh DeLacy, 9 October 1945, ibid., 577-578; Memorandum by the Director of the Office of Far Eastern Affairs to the Under Secretary of State, 16 October 1945, ibid., 580-581; A reading of White House mail in 1945 after V-J day reveals a number of letters and telegrams which argue against unwarranted U.S. interference in China's internal affairs. See, Official File, Box 632, Truman Papers, HSTL; See, also, Notes on China, 23 July 1953, Princeton Seminars, Acheson Papers, HSTL. (In discussing this period, an unidentified source suggests, "...I think if you look back to the public press of 1946, you find a great deal more comment among American publicists on the degree to which we were intervening in China, than you would complaint about the shortgage of intervention in China."); The Director of the Office of Far Eastern Affairs, John Carter Vincent, observed in mid-October 1945, that one advantage to withdrawing American military forces from China (he did not support this option), would be "...to silence widespread criticism that we were interfering in the internal affairs of China by supporting Chiang Kai-shek against the Chinese Communists." Memorandum by the Director of the Office of Far Eastern Affairs, 19 November 1945, F.R., 1945, VII, 640; See, also, Brown, Faces of Power, 32, 36.

[17]It is of some significance to note in this regard that Representative Mike Mansfield's remarks concerning the dangers of American interference in China's internal affairs was given full play in the Soviet press, this reported to Washington by the Embassy in Moscow. The Ambassador in the Soviet Union to the Secretary of State, 17 October 1945, F.R., 1945, VII, 581-852.

[18]See, for example, Draft Prepared in the Department of State, 8 December 1945, ibid., 757; A SWNCC report on China policy in the latter part of October 1945, argued that "In granting any military assistance to China we should...exercise care to give no basis for a suspicion that we are creating a de facto colonial army in China under our official aegis." Report by the State-War-Navy Coordinating Committee, 22 October 1945, ibid., 589; General Wedemeyer wrote in the latter part of November 1945, that American, "Interference in the internal affairs of China would...be repugnant to U.S. foreign policy recently enunciated in the President's Navy Day Speech wherein the principle of self-determination was reaffirmed...." The Commanding General, U.S. Forces, China Theater to the Chief of Staff, United States Army, 20 November 1945, ibid., 658; See, also, the concern of the Director of the Office of Far Eastern Affairs, John Carter Vincent, that if the U.S. were to send too large a military advisory group to the Nationalist government, it might raise the question, "...as to whether we are not moving toward establishment of a relationship with China which has some of the characteristics of a de facto protectorate with a semi-colonial Chinese army under our direction." Vincent went on to suggest that such a situation could well "occasion serious difficulties for us", it might put the U.S. in "an uneviable, and perhaps untenable position", that it might disturb, "...our international political relations to the point that might negate the assumed security advantages of our military position in China." Memorandum by the Director of the Office of Far Eastern Affairs, 12 November 1945, ibid., 615, 616-617.

[19]For an account of this cabinet meeting in which Marshall's name was suggested as a replacement for Hurley, see, John M. Blum, ed. The Price of Vision: The Diary of Henry A. Wallace, 1942-1946 (Boston: Houghton Mifflin, 1973), 519-522; See, also, May, The Truman Administration and China, 56-57; Melby, Mandate of Heaven, 38; See, also, H. Bradford Westerfield. Foreign Policy and Party Politics: Pearl Harbor to Korea (New Haven: Yale University Press, 1955), 252; (In this regard Westerfield also reports Senator Arthur H. Vandenberg's statement to the effect that because Marshall was one of the most able men in the nation, he (Vandenberg), for one, would not question Marshall until the latter had an opportunity to work out a plan for China." Ibid., 247.); In a 1967 oral history interview, Edwin A. Locke, Jr., in 1945 an economic adviser to President Truman, recalled that the only way Truman could have topped Hurley's resignation was to appoint a man of Marshall's stature. With respect to the problem of getting the

Kuomintang and Chinese Communists to settle their differences peacefully, Locke further noted, that under the circumstances, the best possible appointment was a "military" man with Marshall's stature. Edwin A. Locke, Jr., Oral History Interview, 5 April 1967, pp. 79-81, HSTL.

[20]Feis, The China Tangle, 412; Buhite, Hurley, 272; See, also, the American concern expressed by the American Embassies in Moscow and Chungking concerning the Soviet reaction to the Hurley resignation. The Ambassador in the Soviet Union to the Secretary of State, 20 December 1945, F.R., 1945, VII, 702-704; The Charge in China to the Secretary of State, 23 December 1945, ibid., 706.

[21]See, Minutes of the Meeting of the Secretaries of State, War and Navy, 6 November 1945, ibid., 606-607; Memorandum by the Secretaries of War and Navy to the Secretary of State, 26 November 1945, ibid., 672; Memorandum Prepared in the Department of State, 8 December 1945, ibid., 756; Memorandum of Conversation by Lieutenant General John E. Hull, War Department General Staff, 10 December 1945, ibid., 762.

[22]It is almost impossible not to draw this conclusion in view of the constant use of "Open Door" terminology on the part of American officials, especially as they attempted to obtain Soviet acceptance of the "Open Door" principles of equal commercial access for all nations in China and of the territorial and administrative integrity of China in coming to concrete agreements concerning Manchuria. See, for example, Memorandum by the Ambassador to the Soviet Union to the Secretary of State, 28 July 1945, ibid., 950-951; Memorandum by the Secretary of War to President Truman, 16 July 1945, ibid., 943; Memorandum of Conversation by the Minister Counselor to the Soviet Union, 8 August 1945, ibid., 960-965; The Ambassador in the Soviet Union to the Secretary of State, 22 August 1945, ibid., 979; The Ambassador in the Soviet Union to the Secretary of State, 24 August 1945, ibid., 981; The Ambassador in the Soviet Union to the Secretary of State, 27 August 1945, ibid., 981; The Ambassador in the Soviet Union to the Secretary of State, 4 September 1945, ibid., 984-985; See, also, China White Paper, 118.

[23]See, Truman. Years of Trial and Hope, 62.

[24]A State Department intelligence report of mid-December 1945, observed that, "Implementation of U.S. commitments to remove Japanese troops from China has involved the use of U.S. forces...in a manner which has been of important and direct advantage to the...National Government in its position relative to the Chinese Communists." The report went on, "The successes achieved by the Chinese Communists,... without assistance from the United States, and in the face of American assistance to Chungking may be considered to have affected an appreciable reduction of American influence upon Yenan." State Department, Interim Research and Intelligence Service, Research and Analysis Branch,

"Estimate of the Implications of the Present Situation in China for Possible American Programs," 14 December 1945, R & A Report No. (?), pp. 1, 4, UPA.

[25]On this particular point, official logic proceeded along the lines that if U.S. military power were withdrawn from China, the Nationalist government would not be able to maintain its position in North China and Manchuria, Japanese troops would remain unpatriated, chaos would ensue, and the Soviets would use this as an excuse to stay in Manchuria indefinitely. Thus, the decision to keep the Marines in China longer than anticipated so as to ensure successful repatriation of the Japanese was made in direct relation to the continuing fact of Soviet power in Manchuria and the estimate of what would happen in the event the Nationalists proved unable to complete successfully the task of repatriation. In the American view, a Nationalist failure on this score would mean "open season" on Manchuria so far as the Soviets were concerned; See, for example, the arguments of the Secretaries of War and Navy. Memorandum by the Secretaries of War and Navy to the Secretary of State, 26 November 1945, F.R., 1945, VII, 672-674, 676; See, also, Minutes of the Meeting of the Secretaries of State, War and Navy, 27 November 1945, ibid., 685; Memorandum by General of the Army George C. Marshall to Fleet Admiral William D. Leahy, Chief of Staff to the Commander in Chief of the Army and Navy, 30 November 1945, ibid., 748.

[26]See, for example, the late October 1945 SWNCC report on U.S. policy toward China which links the degree and nature of American military assistance to the Nationalist government directly in relation to the manner of the Soviet presence in East Asia. Report by the State-War-Navy Coordinating Committee, 22 October 1945, ibid., 588-589; See, also, the concern of officials in the first several months of 1946 concerning public criticism of the Marines staying in China and this relative to Soviet pronouncements of the intention to withdraw their troops from Manchuria. The Secretary of State to General Marshall, 27 February 1946, F.R., 1946, IX, 849; General Marshall to Lieutenant General Albert C. Wedemeyer, 24 March 1946, ibid., 855.

[27]See, Feis. The China Tangle, 368-372; See, also, Oral Statement by President Truman to Dr. T. V. Soong Concerning Assistance to China, 14 September 1945, in China White Paper, 939.

[28]See, Feis. The China Tangle, 421; Draft of Letter from President Truman to General Marshall, no date (early December) 1945, F.R., 1945, VII, 765.

[29]Memorandum of Conversation by General Marshall, 11 December 1945, ibid., 767-769.

[30]Marshall met with the President and Secretary of State on December 11 on Marshall's request for the purpose of resolving all questions as to the implications concerning his directives for the mediation mission he was about to undertake. Having discussed means by which Marshall might pressure the Kuomintang and the Chinese Communists in the direction of a political settlement, Marshall then asked the President and the Secretary, what, "...if the Generalissimo...failed to make reasonable concessions, and this resulted in the breakdown of the efforts to secure a political unification, and the U.S. abandoned continued support of the Generalissimo, there would follow the tragic consequences of a divided China and of a probable Russian resumption of power in Manchuria, the combined effect of this resulting in the defeat or loss of the major purpose of our war in the Pacific. Under these circumstances, General Marshall inquired whether or not it was intended for him, in that unfortunate eventually, to go ahead and assist the Generalissimo in the movement of troops into North China. This would mean that this Government would have to swallow its pride and much of its policy in doing so."; The President and Mr. Byrnes concurred in this view of the matter; that is, that we would have to back the Generalissimo to the extent of assisting him to move troops into North China in order that the evacuation of the Japanese be completed." Ibid., 768; This point was reiterated 3 days later in another meeting with President Truman and Under Secretary of State Dean Acheson. Memorandum of Conversation by General Marshall, 14 December 1945, ibid., 770.

[31]Gaddis, Origins of the Cold War, 296-298; Harriman, Special Envoy, 447-454; Truman, Year of Decisions, 82-84; It is of interest and significance to note the inclusion of Moscow Embassy reporting of Patrick J. Hurley's visit with Stalin in mid-April 1945, reports which cautioned against accepting Hurley's more optimistic account of his meeting with the Soviet leader, in the China White Paper, 96-98; Buhite, Hurley, 221-222; Feis, The China Tangle, 287-288; Brown, Faces of Power, 33-35; The Charge in the Soviet Union to the Secreatry of State, 23 April 1945, F.R., 1945, VII, 342-343; The Chief of the Division of Eastern European Affairs wrote in mid-May 1945, that in East Asia, "In its efforts to attain considerable influence in this area, the Soviet Government will undoubtedly endeavor to use, if they are permitted to, the same unilateral methods which they have so effectively applied in eastern and central Europe." (emphasis added). Memorandum by the Chief of the Division of Eastern European Affairs, 10 May 1945, ibid., 865; In May 1945, the Charge of American Embassy in Moscow, George Kennan, wrote this about the Soviet leadership: "...no one in Moscow believes that the Western world, once confronted with the life-size wolf of Soviet displeasure standing at the door and threatening to blow the house in, would be able to stand firm. And it is on this disbelief that Soviet global policy is based." Kennan, Memoirs, Annex B, 582.

[32]See, Memorandum of Conversation by General Marshall, 11 December 1945, F.R., 1945, VII, 767-768; See also the late October 1945 SWNCC report on China policy which established that U.S. aid to the Nationalist government would have to be calculated so as to encourage reforms which would honor the political fact of the Chinese Communist Party, described by the report as, "a dynamic force controlling considerable areas...and population...." Report by the State-War-Navy Coordinating Committee, 22 October 1945, ibid., 586-587.

[33]Ibid., 588-589. This same late October 1945 SWNCC report clearly argued that American aid to the Nationalist government would have to be calculated with respect to Soviet sensibilities in order to preserve whatever prospects for postwar cooperation which might still exist; The Director of the Office of Far Eastern Affairs, in surveying the military options for American policy in mid-November 1945, argued that an increase in the American military presence in China, "would probably be resented by Russia...." Memorandum by the Director of the Office of Far Eastern Affairs, 19 November 1945, ibid., 641.

[34]See, Report by the State-War-Navy Coordinating Committee, 22 October 1945, ibid., 589; Memorandum by the Director of the Office of Far Eastern Affairs, 12 November 1945, ibid., 616-617.

[35]In arguing against sending any large American military advisory mission to the Nationalist government, the Director of the Office of Far Eastern Affairs wrote in November 1945, that care should be taken not to generate the impression the U.S. was,"...moving toward establishment of a relationship with China which has some of the characteristics of a de facto protectorate with a semi-colonial Chinese army under our direction." Memorandum by the Director of the Office of Far Eastern Affairs to the Secretary of State, 12 November 1945, ibid., 615. It is true the Director of OFEA had principally in mind to avoid the accusation of imperialism being directed against the U.S. in making this point. However, American officials also knew that Chiang Kai-shek himself was adamantly opposed to an excess of American interference in China's internal affairs. See, Notes on China, 23 July 1953, Princeton Seminars, Acheson Papers, HSTL; See, also, Tang Tsou, America's Failure, 103-105; Officials were also clearly aware of Chiang's extreme sensitivity on his image as an ardent Chinese nationalist, see, Office of Strategic Services, Research and Analysis Branch, "China's Destiny - by Chiang Kai-shek", 15 July 1943, R & A Report No. 951, I/15, UPA.

[36]See, Memorandum by the Director of the Office of Far Eastern Affairs to the Secretary of State, 12 November 1945, F.R., 1945, VII, 616-617; Of course, this assumption that too much American assistance would reduce the Kuomintang's incentive to reform, formed the basis for a major component of Administration China policy in 1945, to wit, that the degree of American aid be tied directly to the extent the Kuomintang leadership demonstrated a willingess to undertake genuine economic

and political reforms. See, Report by the State-War-Navy Coordinating Committee, 22 October 1945, ibid., 586-587, 589; The Charge in China to the Secretary of State, 29 December 1945, ibid., 1198.

[37]See, Forrest Davis and Robert A. Hunter. The Red China Lobby (New York: Fleet Publishing Corp., 1963), 45, 47, 48, 51, 52; Kubek, How The Far East Was Lost, 319, 322; Freda Utley. The China Story, ix-x.

[38]See Chapter I, pp. 5-6.

[39]See, Memorandum of Conversation by General Marshall, 11 December 1945, F.R., 1945, VII, 767-769; In a mid-December meeting with President Truman, General Marshall sought confirmation on his directives prior to leaving on his mediation mission to China. Marshall again raised a question concerning the full implications of American backing of the Nationalist government in the event Chiang refused to make concessions necessary to a political settlement in China. Marshall recorded the following exchange, "I stated my understanding of one phase of my directive was not in writing but I thought I had a clear understanding of his (the President's) desires in the matter, which was that in the event that I was unable to secure the necessary action by the Generalissimo, which I thought reasonable and desirable, it would still be necessary for the U.S. Government, through me, to continue to back the National Government...through the Generalissimo within the terms of the announced policy of the U.S. Government."; "The President stated that the aforegoing was a correct summation of his direction...; The Under Secretary of State, Mr. Acheson, confirmed this...." Memorandum of Conversation by General Marshall, 14 December 1945, ibid., 770.

[40]See, White, In Search of History: A Personal Adventure, 214-222, 251-252; Varg, Closing the Door, 232-234.

[41]Ibid., 232-233.

[42]Ibid., 234-235; Steele, American People and China, 30-31; Westerfield, Foreign Policy and Party Politics, 254; Varg, Missionaries, Chinese and Diplomats, 289, 290-292, 293-298; United States Congress, Congressional Record, 79th Congress, 2nd Session, 26 July 1946, 10223-10228; Notes on China, 23 July 1953, Princeton Seminars, Acheson Papers, HSTL; A reading of White House mail (telegrams and letters) reveal extensive criticism of the Nationalist government, some are from private individuals, missionaries or other persons with experience in China, some obviously from left-wing groups with a distinctly political-philosophical repugnance for the Chiang regime, some are from members of Congress. See, Truman Papers, Official File, Box 632, Harry S. Truman Library, Independnece, Mo.; Memorandum by the Director of the Office of Far Eastern Affairs, 19 November 1945, F.R., 1945, VII, 640;

The Under Secretary of State to Representative Hugh DeLacy, 9 October 1945, ibid., 577-578; Memorandum by the Director of the Office of Far Eastern Affairs to the Under Secretary of State, 16 October 1945, ibid., 580-581; The Acting Secretary of State to the Charge in China, 20 December 1945, ibid., 786.

[43]For examples of this sort of thinking reaching the White House, see, Official File, Box 632, Truman Papers, HSTL.

[44]Officials in late 1945 saw no realistic option to the Marshall mission as designed hopefully to establish unity and stability in China on the basis of a political settlement. Officials knew they could not go in "all the way" and guarantee a preferred outcome in China. Likewise, they knew they could not withdraw the American presence from China altogether because civil war was sure to result with a consequent extension of Soviet power in Asia. In discussing this situation years later -- a discussion which included Dean Acheson (in 1945, Under Secretary of State and General Marshall's Washington liaison) and Herbert Feis -- the comment is made by Feis, with respect to this policymaking situation on China in late 1945, that, "...you had to do something in between. Not that you thought it was logical; not that you thought it was the best of anything, but it was all that was open to you, and that was to work out something along the lines of the Marshall program." Notes on China, 23 July 1953, Princeton Seminars, Acheson Papers, HSTL; In mid-December 1945, in a last "word of encouragement and appreciation" to General Marshall on his departure to China, President Truman revealed clearly his Administration's view of the limited options in the situation, "I believe the development of a strong, united and democratic China is essential. The alternatives seem to me clearly to be disunity or prolonged civil war, neither of which would be in our interests nor in the interests of international peace." President Truman to General Marshall, 15 December 1945, F.R., 1945, VII, 773; in his Memoirs, Truman later described the policy problem this way: "The problem of Communism in China differed considerably from political problems elsewhere. Chiang Kai-shek was not confronted by a militant political minority scattered throughout the population but by a rival government that controlled a definite portion of the territory, with about one fourth of the population."; "Our position in China offered us little choice. We could not simply wash our hands of the situation. There were still nearly three million Japanese in China, over one million of them military. Unless we made certain that this force was eliminated, the Japanese, even in defeat, might gain control of China simply by their ability to tip the scales in the contest for power."; "The other alternative was equally impracticable. That would have been to throw into China unlimited resources and large armies of American soldiers to defeat the Communists, remove the Japanese from the mainland, and compel Russian withdrawal from Manchuria by force. The American people would never stand for such an undertaking."; "We decided, therefore, that the only course of action open to

us was to assist in every way in the preservation of peace in China, to support the Generalissimo politically, economically, and, within limits, militarily. But we could not become involved in a fratricidal war in China." Truman, Years of Trial and Hope, 63.

[45]In a 1974 oral history interview with Philip D. Sprouse, during the Marshall mission attached to the Embassy in China, he comments that Marshall, "...himself knew that this was an almost impossible mission, but it was worth the effort because the alternatives were so horrible for China and the world-at-large." Philip D. Sprouse, Oral History Interview, 11 February 1974, p. 27, HSTL.

CHAPTER IV

THE MARSHALL MISSION, JANUARY - APRIL, 1946: THE END OF SOVIET-AMERICAN COOPERATION AND THE BEGINNING OF THE COLD WAR IN ASIA

In late 1945 the Truman Administration saw no alternative to a political-diplomatic solution in China. So important was the political, as opposed to the military, solution that, as Akira Iriye correctly argues, the Administration's sending of the Marshall Mission constituted an American interference in internal Chinese affairs beyond what Washington earlier envisioned would be necessary. However, that interference not only seemed unavoidable but necessary given the high stakes involved.[1]

Only a political resolution would allow the Administration to sustain a satisfying balance of the multiple factors which determined China policy; that would grant policy some margin of safety in which to succeed. Only the political solution would satisfy the strong official urge to proceed with the most inexpensive and uncomplicated option in promoting the transition from war to lasting peace in China and East Asia. Only the political solution would satisfy the strong public desire for an end to international conflict.

Consistent with the Administration's desire to remain as aloof as possible from assuming direct responsibility for China's internal problems, President Truman's December 15th statement on policy served notice that the United States would not become involved in the implementation of political agreements between the Kuomintang and the Chinese Communists.[2]

Shortly after his arrival, however, Marshall soon found that his chief priority - helping to achieve a cease fire between the two - was not exclusively a military problem; it was intricately bound up with a series of related political questions. As a result, Marshall agreed to broaden the nature of his involvement, assuming direct mediation responsibilities with respect to Kuomintang-Communist controversies.[3]

In this capacity, Marshall was determined to maintain an open mind, to remain fair toward both the Kuomintang and the Chinese Communists and to do all that he could, to exploit every opportunity, to help foster a political settlement between the two. Marshall never relinquished this particular interpretation of his role. His activities, from beginning to end, constituted a genuine mediation effort and the fact that his role in these matters eventually drew criticism from both sides provides a measure of his sincerity of purpose. Even in the frustration of failure, Marshall continued to display an even temperament

by heaping blame on the leadership of both the Kuomintang and the Chinese Communists for their unwillingness to settle differences peaceably.[4]

Maintaining an attitude of fairness, though, did not mean that Marshall represented a purely neutral position in the matter of achieving a political settlement in China. Indeed he made no effort to hide the fact of his lack of neutrality from the Communists. The Marshall Mission was the cutting edge of American China policy and both Washington and the General assumed that a primary American interest was to foster the development of a non-communist China. But Administration planning of the Marshall Mission was in large measure predicated on the assumption that non-communist interests, American and Chinese, would be best served by a political settlement which also recognized the interests of the Chinese Communist party. Marshall's desire to fulfill the non-communist aspiration, therefore, required that he remain accessible to Communist negotiators and sensitive to their political concerns. An immoderate display of partiality toward the Kuomintang in his role as mediator would have wrecked in short order the American purpose to facilitate a political settlement.

The multiple concerns which produced the American desire to achieve a political settlement also rested on the belief that this was the best option for the Nationalist government; any effort to resolve China's internal problems

through military means would work to the disadvantage of Chiang and his regime. Marshall shared the view of officials in Washington that the Nationalists simply could not be expected to defeat the Chinese Communists in a military contest and that over the long term the Kuomintang might in fact lose.[5]

It is true, that in early 1946 the Nationalist government possessed superior military force by conventional standards. It commanded substantially greater numbers of troops, had access to comparable levels of armaments and munitions and controlled the urban industrial and communications facilities. Because of this, no one at the time really questioned at length the ability of Chiang and his armies, if it became necessary, to put up an effective resistance against Communist forces for some indefinite period of time. But how long the Kuomintang could hold out and under what circumstances remained unanswered questions.[6]

Decision-makers recognized that the Kuomintang was deficient in military leadership, organization and troop morale. As a result, American officials concluded that, in view of known Communist organizational and military competence, generally high troop morale, and an increasingly secure political and military base of operations in North China and Manchuria, the best Chiang and his regime could hope for in a civil war would be a divided China with the Communists in the north and Nationalist consolidation in

central and south China. Gradually, however, because of Kuomintang civil and military deficiencies, through continuing conflict the Nationalists would begin to lose control in these regions.

Just as was the case during the war of resistance against Japan, Chiang would be unable to initiate needed reforms with the result that existing military incompetence and corruption in the Nationalist army command structure merely would be exacerbated. The militarist dominated Kuomintang political organizations would remain the same and as a result social and economic reform also would go wanting with the consequence of the regime increasingly isolated by virtue of mounting popular dissatisfaction.[7]

There was also the related view that, subsequent to the start of hostilities, the Communists would possess a distinct advantage in the fact of their unofficial status. Economic and social deterioration was certain to follow as a concomitant of civil conflict. The Communists would be free to employ tactics designed to further this declining state of affairs and much to their own good fortune. For one thing the Kuomintang, with responsibility for administering the recognized government, would be forced to accept full blame for the disintegration of economy and society. Not only that, but since the Communist organization did not draw its material sustenance from the established order, as did the Kuomintang, a collapse of the traditional economic and

social sectors could only work to the disadvantage of the Nationalist government.[8]

But if all these facts went a long way toward producing in officials considerable doubt that Chiang's armies would be able to challenge successfully the Communists, they had another reason for thinking a Nationalist defeat probably unavoidable in the long run. Decision-makers believed the Chinese Communists would turn to the Soviet Union for supply and support in the event of civil war. Administration officials not only assumed the Chinese Communists would require external support in order to achieve final military success but that Yenan, because of the international alignment which would prevail at that time, would have no choice but to seek Russian aid. Officials further assumed that the Soviets would give it, thereby eliminating whatever deficiency might exist in the Chinese Communist arsenal. Once this happened it would seal the doom of the Nationalist government unless the United States were to counter with a substantial commitment of its own manpower and resources -- something which decision-makers had concluded was out of the question.[9]

With the advantage of hindsight it is now known that the manner and degree of Soviet interference in the Chinese civil war never reached proportions which Administration officials anticipated. Its seems virtually certain that Yenan received only modest material assistance from the

Russians throughout the course of the civil war. The mistaken expectations, though, do not diminish the fact that decision-makers in 1945 and for a good part of 1946 were convinced their predictions would prove accurate. Officials did begin to discard this view in its particular form by the end of 1946 and early 1947 when it became apparent that the Soviet-Chinese Communist relationship was not developing as earlier anticipated.[10]

Decision-makers were deeply disturbed by the prospect of a possible Communist triumph in China. Particularly odious was the official expectation that a Chinese Communist victory would result in Soviet dominance in Manchuria. In this regard, the documents reveal a considerable number of official references to the "Open Door".[11] The frequency of this language easily might lead one to the conclusion that traditional American economic ambitions toward China may have played a major role in determining the Administration's policy. Care must be exercised, however, in assessing the significance of this rhetoric and in evaluating the meaning that decision-makers attached to the "Open Door" concept as it related to China after World War II.

Despite the strong economic implications of the "Open Door" idea, the use of this terminology in the documents does not appear to suggest an official expectation of great commercial and investment opportunities for American business in Manchuria and China as a whole. Nor, in a

related vein, do the documents reveal that Administration officials sought to prevent a Communist takeover so as to preserve the country's commercial opportunities for American capitalism. On the contrary, officials well understood that the underdeveloped nature of the Chinese economy, including that of Manchuria, could not be expected to provide for some time to come extensive opportunities for American commerce and investment even granting the continuing administrative auspices of the Nationalist government.

This expectation of only modest future economic opportunities in East Asia, a prognosis confirmed by the President's special economic adviser on China, Edwin Locke, Jr., was joined by the fact that on a worldwide basis there was no critical margin for American commerce.[12] As the reports of the Export-Import Bank indicated, from the end of the war through 1946 American goods found world markets insatiable.[13] In view of all the other opportunities there was no immediate reason for the Administration to be concerned, commercially, with the disposition of a nation which did not possess sufficient resources to pay for American goods or to be concerned, financially, with an area characterized by political instability and economic uncertainty.

Moreover, it is relevant to note that the Administration supported Chiang's regime in 1945 and 1946 in spite of considerable dissatisfaction with what, from the point of view of American business interests already located in

China, officials considered were thoroughly unacceptable Nationalist economic policies, e.g., insufficient currency stabilization devices, unrealistic monetary exchange rates, and improper utilization of gold reserve sales as counter inflationary measures.[14] And, this support continued right up to the time of the Nationalist retreat to Formosa in 1949 despite substantial official pessimism that Chiang would ever prove willing to initiate economic and social reforms which seemed necessary to attract greater foreign investment and encourage increased commercial interchange with other countries.

All this strongly implies that something other than the economic factor determined American China policy in 1945 and early 1946. The question then is what significance did officials impute to their use of "Open Door" language at the time? For one thing, it probably had emotive significance for some officials who found it more satisfying to discuss the specific issues of American China policy in context of an idealistic assessment of the historic United States relationship with China. Or, it may have appealed to those who genuinely believed the Administration had a responsibility to assist the Chinese on the basis of the presumption that the nature of the traditional relationship between America and China produced a moral obligation to continue to do so.[15]

There was also a certain amount of convenience in using "Open Door" terminology. The historic "Open Door" advocacy of the territorial and administrative integrity of China was consistent with the official desire to achieve unity and stability there in 1945 and 1946. This was more than mere coincidence, however. As outlined in an earlier chapter, the Truman Administration's approach to East Asia, in part did rest on the long sustained American notion, often found in association with other "Open Door" concepts, that only a China free of outside interference could hope to achieve a lasting internal condition of unity and stability through a balance of all political forces native to that country.[16]

This natural inclination to employ tradtional language should not be taken to imply necessarily that conceptual carelessness and analytic shallowness predominated in decision-making attitudes about China. The Administration's public invocation of the revered tradition of the "Open Door" undoubtedly was deliberate and had its practical importance. The concept as it related to China had a symbolic quality comparable to that of the Monroe Doctrine in the matter of American attitudes about the Western Hemisphere. Both of these creations, in their multiple connotations of such breadth as to suit the fancy of many political imaginations, could be invoked to legitimize a considerable range of policy purposes. Both concepts not only granted to

the American government righteous justification for involvement but moral obligation to do so. This license in the image of the "Open Door" could be enormously useful in countering public doubt about the propriety of American involvement in China.[17]

It is further suggested that public use of "Open Door" rhetoric was simply another means that officials could use to make clear to all concerned, but especially to the Soviets, the importance which the Administration attached to its policy of unity and stability in China. Or, in a more negative vein, another way officials could convey, without question, their view as to the unacceptability of a direct extension of Soviet power into Manchuria.[18]

However, "Open Door" references in the official record were also a product of the policy-making environment on China, one reminiscent of those decision-making circumstances which American officials had faced on the question of United States policy toward China even before the turn of the 20th Century. The simple fact of the matter is that, because domestic public pressures reduced available deployable resources, Truman administration officials were not dealing from a power base sufficient to guarantee policy preferences for China. Thus the use of "Open Door" rhetoric must be understood as a verbal compensation for the Administration's unwillingness or inability to commit an adequate level of American resources in order to insure preferred policy outcomes.

This tendency, to substitute some higher moral authority verbally in the absence of the will to actively manipulate circumstances in the direction of policy goals, constitutes one of the predominating characteristics of American China policy in the 19th and especially the 20th Century. Developing Administration suspicion concerning Soviet behavior in combination with the rapidly declining relative international power status of the United States in 1945 and 1946, therefore, only made resurrection of the venerated "Open Door" concept that much more useful to decision-makers determined to convince all concerned to support the requirements of the American policy for China.[19]

Truman administration officials were not opposed to a Communist takeover in China and especially Soviet domination of Manchuria because it would eliminate economic opportunities for American business. Rather decision-makers opposed this for the same reasons they favored the policy of settling China's internal problems through political diplomatic means: a failure to prevent civil war in China would mean the failure of peace elsewhere in Asia. A Communist victory in China would result in an extension of Soviet power in East Asia unacceptable from the point of view of the American national interest. Policymakers simply did not want to have to deal if at all possible with this or any of the other pernicious effects which they anticipated might be spawned by a Chinese civil war.[20]

However, the desire to place limits on Soviet power and influence in East Asia constituted the darker side of the policymaking picture in late 1945 and in the early months of 1946. And, as the more negative impulse, it still coexisted with the one positive which was to create some firm basis for achieving a stable and enduring regional political settlement between the United States and the Soviet Union. It is argued here that, the latter of these impulses was not only important but in fact continued to be a prevailing one in the decision-making environment at the time.

For the first several months of 1946 the course of events in China appeared to vindicate the Administration's decision to send the Marshall Mission. Marshall's sincerity of purpose to proceed in such a way so as to maximize prospects for a political settlement seemed to be paying off. And by March, at least on paper, there appeared to be grounds for thinking that a political settlement was well on the road to realization.

A flurry of political activity in China, in the last days of December 1945 and the first few days of the new year, culminated on the 10th of January in two signficant developments. First, both the Kuomintang and Chinese Communist leaders announced their agreement to a cease fire and halt to all troop movements. It was designated to go into effect at midnight on the thirteenth. The arrangements

stipulated that a Committee of Three would oversee the details of the cease fire. General Marshall was asked and agreed to serve as chairman of the committee which also included a Kuomintang and a Chinese Communist representative. The committee would command an Executive Headquarters to be located in Peking which had the responsibility of supervising several hundred field teams (composed of one American, one Kuomintang representative and one Communist) which, in turn, would operate to implement and maintain the cease fire in all regions of China.[21]

On the basis of a proposal worked out before the Japanese surrender, a process which incidentally had included Ambassador Hurley's participation, Chiang Kai-shek also revealed on the 31st of December that a Political Consultative Conference (PCC) would be convened on January 10th. The PCC would be the negotiating forum to which all political interests and parties in China could expect to have access and which in its proceedings and final arrangements would exist for the purpose of establishing the essential foundation for achieving a lasting political settlement and creating a coalition government. On the day of its convening the PCC did bring together representatives of the Kuomintang, those of the Communists as well as minority party or "third force" elements in Chinese politics, e.g., members of the Youth Party and the Democratic League, the latter designated to represent the more liberal attitude on the political spectrum.[22]

The PCC worked through until the end of the month, resting its case in the form of a series of resolutions and proposals. The result was rather vague. But it was a beginning. The PCC reviewed various problems relating to economic and social reconstruction in the aftermath of war and provided that this would be a first priority of the coalition government. It also discussed organizational reform of the government structure. Delegates paid attention to the question of a constitution and a national assembly and agreed that the Nationalist constitutional draft proposal of 1936, which included provisions for a national assembly, should exist as the basis for further arrangements and renovations in this regard.[23]

The PCC also addressed the problem of Communist military reorganization as it related to the previously agreed upon plan that, as part of the political settlement, Yenan's forces would be integrated into the Nationalist Army which, then, on the basis of promised American training and supply, would exist to maintain internal order under the auspices of the new coalition government. As a result of PCC's resolutions on this question, a Military Commission was established to work out the details of military reorganization and integration. The commission was composed of three individuals, a Kuomintang and a Communist representative, and again, General Marshall agreed to sit as the third member. The commission worked for several weeks and on

February 25th announced the results of its work by issuing a rather elaborate set of proposals for accomplishing the task.[24]

By March, the prospect for further movement in the direction of a political settlement looked good. Not only had both the Kuomintang and Chinese Communist leadership appeared to endorse enthusiastically Marshall's purpose in coming to China but, in accord with his presence and that purpose, had since followed through to establish preliminary agreements of considerable significance. The Chinese people, to the extent they were able to express their feelings, displayed genuine relief and satisfaction with the cease fire and the extent of success in political consultations.[25]

Chiang Kai-shek himself openly and officially endorsed the resolutions of the PCC as did the Chinese Communist leadership (the Central Executive Committee of the Kuomintang formally endorsed the resolutions in mid-March and the Communist Central Committee was scheduled to convene for this purpose at the end of the month). Both also acknowledged their support for the plan of the Three Man Military Commission for the reorganization of Communist forces and their integration into the Nationalist Army.[26] As a result, Marshall determined he would return to Washington to consult with high administration officials about economic assistance to the Chinese on the basis of President Truman's earlier promise of American generosity in the event

the Kuomintang and the Chinese Communists worked out their differences peacefully.

Marshall intended this economic grant as a reward to the Chinese for the progress thus far achieved in political negotiations and hopefully as a spur to achieving a final settlement. However, his purpose also derived from the fear of the political consequences if the Chinese economy continued its steady deterioration. Marshall hoped that an infusion of American aid would have an ameliorating effect on this trend. If the slide could not be reversed, it could not help but exacerbate an already alarming level of social instability. Getting the two antagonists together to resolve their problems peacefully would be difficult enough under the best of circumstances but, in context of a crisis situation, characterized by social and economic instability, it would be next to impossible for the Kuomintang and the Communists to carry on successful negotiations.[27]

Even those in the Kuomintang and the Chinese Communist parties who were genuinely committed to achieving a political settlement would find the pressures of societal breakdown an overwhelming and disruptive intrusion on the necessity of calm and deliberation in the negotiating environ. Besides, as Marshall suspected, there were "extremist" elements in both parties who did not want to see a political settlement and who could be expected to play on

popular dissatisfaction with disintegrating social and economic conditions as a way to undermine the course of negotiations in favor of using violent means to settle old scores.[28] Despite Chiang's endorsement of the PCC proposals, already the American Embassy had information that "right wing" groups in the Kuomintang were attempting to sabotage all political efforts to date by hiring thugs to assault Communists and minority party representatives, to incite riots and generally engage in disruptive tactics.

Some in the Embassy counseled against Marshall's returning to the United States. They argued that the resolutions of the Political Consultative Conference were vague and superficial, mere lip service to deep seated and complex problems and that real progress in the direction of a political settlement was still wanting. They suggested that Marshall's continued presence in China was needed as an incentive to both sides for renewing their efforts to engage in serious negotiations. If Marshall left, it would merely encourage further action by the Kuomintang extremists, sure to be countered in kind by the Communists, all to the disadvantages of the forces of moderation and compromise.[29] Nonetheless, Marshall thought his return necessary and he departed for Washington in the early part of March.

Marshall's return to the United States coincided with an important shift in the Administration's attitude about American-Soviet relations -- a shift which had a

significant impact on China policy. Though distrust of Soviet international aspirations had been building for some time, several events in the first months of 1946, joined in early March by the crisis over the continuing presence and the threatening posture of Soviet troops in Iran, appear to have produced the belief in Washington that the United States would not receive Moscow's cooperation in resolving postwar problems peaceably.

Stalin's public address on the 9th was the first of the major episodes which helped to trigger this change in official opinion concerning the Russians. In his speech, Stalin explained that the capitalist and communist systems were incompatible, that capitalist economic procedures would in the future inevitably cause wars and that the only solution to this dismal prospect was the elimination of all vestiges of capitalism to the accompaniment of triumphant communism. This appeared to signal to many Americans, including high Administration officials, that the Russians had dropped all pretense of sustaining the wartime spirit of cooperation and thus seemed to eliminate the possibility of genuine international compromise on postwar problems between the two countries.[30]

This interpretation of Stalin's statements seemed to be confirmed when in mid-February the Canadian government revealed it had arrested twenty-two members of a Soviet espionage network involved in obtaining information about

the atomic bomb. Not only did this indicate that the Soviets were no longer interested in postwar cooperation but were actually involved in an insidious effort to obtain atomic technology with which to facilitate the Kremlin's supposed malevolent international designs.[31]

Then, near the end of the month, in response to a State Department request for his opinion, George Kennan, in charge of the embassy in Moscow since Ambassador Harriman's return to Washington, sent his now famous 8000 word telegram analyzing the power obsessions of the Russian leadership and the essence of the ideological and nationalistic impulses which determined Soviet international behavior. Much of what Kennan said in late February was merely a reiteration of what he had been arguing in his reports to Washington over the previous year. But what he had done piecemeal he now pulled together in a more coherent statement of his views.[32] As Kennan himself has suggested, his assessment reached Washington at precisely the time when high Administration officials were searching for some compelling rationale not only to explain cogently the reasons for their frustrations with the Soviets but to establish some intellectual basis for developing new strategies to deal with them.[33] The content of Kennan's telegram did just that.[34]

Within days of the receipt of Kennan's telegram there occurred the crises in Iran. For some time, Administration officials had been concerned that the Kremlin

might attempt to transform the Soviet wartime occupation of northern Iran into some more permanent arrangement, especially to the point of annexing those areas in which were located extensive oil deposits. This anxiety appeared to be confirmed when the previously agreed upon date for all foreign troop withdrawals from Iran, March 2nd, passed with Soviet forces still in place. In fact, in the next several days substantial movements of Red Army units seemed to indicate a possible Russian intention to move south in the direction of the Iranian capital. Might the Kremlin be planning to assume control of the entire country, thus to position itself to exert greater pressure on Turkey (and the Straits situation), indeed to force the course of affairs in all of the Mid-East in a direction acceptable to Soviet foreign policy priorities? Whatever was the actual extent of Moscow's intentions in Iran, Washington assumed the worst and officials were convinced this Soviet maneuver, following so close to the provocative episodes of the previous month, was simply a manifestation, an early warning, of what George Kennan advised the Kremlin was up to -- exploiting every perceived opportunity to expand Russian power in an effort to undermine capitalist societies.[35]

From the point at which American decision-makers concluded the Soviets were incorrigibly aggressive and opportunistic, and in the presence of the presumption that there was no further possibility of cooperating successfully

with the Russians on the diplomatic level, Administration officials were compelled to begin to measure the essentials of their policy in terms of what the United States was in a practical position to do in China. And, in this regard, policymakers concluded they had little alternative except to continue to implement the existing policy though their motives in doing so had been substantially altered by their unrelieved distrust of Soviet behavior.

After the Spring of 1946, the Administration was determined to continue its efforts to achieve a political settlement in China for three principal and associated reasons. First, creating unity and stability in China was the only way left in which the Administration could hope to limit effectively the extension of Soviet power and influence in East Asia. Officials were sure the disunity and chaos of civil war was bound to provide opportunities in this regard which they further doubted the United States could prevent the Kremlin from successfully exploiting.[36]

The Administration had allocated about all the available resources it could to the China situation in late 1945 so as to maximize Marshall's chances to succeed in his mission. Officials knew that if a political solution failed they would not be able to move much beyond the extent of this earlier American commitment. Thus, and here is the second reason, a political solution was the only means by which Russian expansion could be contained in a manner

consistent with the moderate expense of the American commitment to China since the end of the war.[37]

The third major reason a political settlement was still important was the most obvious. A peaceful settlement, if successful, would save the Administration from having to formulate the necessities of its China policy in context of a civil war. For a variety of reasons officials already believed that the Administration would not be able to formulate a truly satisfactory policy toward the condition of civil conflict in China. So much did officials prefer to avoid being forced into this position that they concluded the Administration had nothing to lose and everything to gain in continuing to find grounds for a political settlement even though they believed that Moscow's maneuverings undoubtedly would reduce the potential for success.[38]

A series of unavoidable policymaking considerations determined the Administration's decision to proceed in China as planned. Of fundamental significance was the factor of limited resources. Chapter III explained that postwar ceilings on military expenditures and on government spending reduced the resources available in support of United States foreign policies. Dwindling resources meant a decline in the actual power of the nation. And, in the Spring and Summer of 1946 there seemed small possibility of reversing American fiscal policies.

Even granting the need to try, officials could not expect that an Administration campaign to reorient the public would have much chance to succeed. Not only would the process of re-educating public priorities and expectations run counter to the force of the domestic political climate, but in a Congressional election year the Democratic administration would not be able to expect necessary Republican Party cooperation in this task.

Republicans were already engaged in calculated political criticisms of the White House. On the one hand, in the early months of 1946, Republican leaders complained about the Administration's coddling of the Russians, calling instead for the government to develop sterner attitudes and procedures in relations with the Kremlin. At the same time, the opposition continued to excite the public's parsimonious sensibilities through early hints of congressional election campaign rhetoric calling for more cuts in federal taxes and in government spending.[39] This Republican charge of Administration timidity in dealings with the Soviets while advocating policies which would further reduce American resources must have seemed hollow, even irresponsible, preachment to officials who were by now disturbed that the Kremlin would view declining American power as an opportunity to behave more aggressively in international affairs.[40]

However, despite the inconsistency between advocating firmness with the Russians and retrenchment of

government spending, there was no reason to expect the Republicans would relinquish their stand on this issue in view of the pervasive popular sympathy for conservative fiscal policies. Moreover, Democratic congressmen and senators also were aware of this and, on the basis of their own conviction of political and fiscal necessity, were not at all strongly disposed to argue the point.[41] In addition, the White House, the Bureau of the Budget, and the Council of Economic Advisers were quite prepared to restrict the amount of spending in areas directly related to foreign policy if deemed necessary in order to assure maximum potential for postwar growth of the nation's economy. For example, it was not until 1949 that a reinterpretation of economic requirements allowed the Administration to move beyond the dictum that if military expenditures were allowed to rise above a 15 billion dollar ceiling, it was sure to produce severe inflationary consequences for the peacetime converted economy.[42]

In fact, with respect to the problem of establishing a global balance of power, in the 1945-1950 period the Administration generally thought that the example of the American system of political economy, by virtue of its success, would prove decisive in convincing the people of the world which model they should follow in ordering their own affairs and in developing their international associations. Policymakers saw the factor of raw military

capabilities as having secondary importance in the competition for international prestige.[43]

However, as this fact of limited resources which could be applied in direct support of foreign policy priorities related to the situation in China, it must be seen in relation to a second major policymaking component -- the problem of resource allocations. Opportunism and aggression appeared to Administration officials to be the general tendency of the Kremlin's foreign policy and the challenge appeared to have global proportions. As a result, the decisions of the Truman administration began to reflect a sense of the need to coordinate the various components of American foreign policy into an integrated whole. This was not a development which happened overnight and even in 1947 Secretary of the Navy Forrestal would complain about the lack of coordinated foreign policy planning and the necessity to institute more systematic procedures.[44] Nonetheless, throughout the course of 1946, officials began not only to conceive of the requirements of foreign policy as part of an interrelated global strategic complex but also one in which each of its parts would have to be assigned a relative level of importance.

Thus, in contrast to the planning of the Marshall Mission in late 1945, after the Spring of 1946, the condition of limited resources became one of the most important

considerations in determining the nature of the Administration's China policy. Finite resources applied to counter international Soviet aggression required that foreign policy priorities be assigned in a programmatic manner. In the presense of perceived Soviet malevolence the essential questions were: where should, and in what ways could, the Administration respond to counter the spread of Russian communism? Answering these questions forced officials to undertake the process of distinguishing vital American interests from non-vital or peripheral ones or more important from less important interests. International circumstances demanded that the Administration determine, in absolute and relative terms, what strategic significance various areas of the world had for the United States.[45]

By way of these deliberations, officials concluded it was necessary to reduce the China area to a level of secondary importance in the overall strategic pattern of American foreign policy. Whatever areas of critical importance might emerge as a result of Soviet aggression, and Western Europe and the Middle East clearly were developing as front runners in this regard, the Truman administration determined that it could not risk an excess of scarce American resources on a Chinese situation fraught with such enormous complications or on a Nationalist government whose obvious deficiencies continued to raise so many doubts.[46]

Of course, the need to conserve limited resources for deployment in areas of the world strategically more important than the East Asian mainland would not work necessarily to deprive the China area if only the Kuomintang and the Communists would settle their differences peacefully and together proceed on with the task of creating unity and stability in their country. Unity and stability in China would prevent serious problems for American Asian policy. And, to the extent available means would allow, Administration officials were prepared to entice the Chinese into a political settlement with the promise of generous outlays of economic aid in association with a variety of military and technical assistance and training programs. On the other hand, the onset of civil war would immediately activate all the more penurious policy implications which followed from the Administration's attitude concerning the relative global importance of China and the continuing fortunes of the Nationalist government.

In advance of the event, Administration officials speculated and not altogether accurately, that short of a significant commitment of American manpower and resources, a civil war likely would produce certain consequences. As noted earlier in the chapter, decision-makers believed that civil conflict would force the Chinese Communists to seek outside support in order to achieve final victory. Officials assumed Yenan would turn to the Soviets not only

because of ideological considerations but as well for the practical reason that no alternative source of supply would be available.

Policymakers thought that once the Kremlin became involved in support of the Chinese Communists, in context of deteriorating internal conditions an expansion of Soviet influence, even direct control in some areas was virtually certain. As compensation for Soviet aid, Stalin would demand and obtain Chinese Communist subservience. Yenan would face a situation in which, despite the nationalistic inclinations within the Party, room for independent maneuver would be nearly eliminated by virtue of their absolute dependence on Soviet support. The extent of Soviet influence would thus develop in a manner commensurate with the expansion of areas under Communist control.

In addition the Kremlin could also be expected to move quickly to consolidate its position in Manchuria. Any vestige of Chinese Communist independence would be liquidated in short order. In a manner comparable to Outer Mongolia, the Russians would force their control on the province through a native communist puppet regime composed only of those Chinese whose submission to Moscow was absolute.[47] Consolidation of Manchuria's raw resources and industrial potential would grant the Kremlin a power base of enormous porportions in East Asia and create an intolerable imbalance of power in the region.[48]

Civil war in China, so continued the Administration's logic, invariably would promote instability elsewhere in East and Southeast Asia. Chaos in the region would work merely to encourage further the malevolent and aggressive side of Soviet nature, a side held in check, officials assumed, only so long as their leadership believed that there was no opportunity to expand Russian power or that it was too dangerous to attempt to do so. In sum, policymakers feared that a Chinese civil war at minimum would result in conditions not only conducive to an expansion of Soviet power and influence in East and Southeast Asia but that the Russians undoubtedly would prove capable of successfully exploiting the opportunity.[49]

To reiterate, what disturbed officials most about the failure of a political settlement was their belief that the Administration would not be in a position to formulate a very satisfying policy response to the anticipated consequences of a civil war in China. On the one hand, policymakers knew they would not be able to involve the United States in China's internal affairs in such a way so as to assure the prevention of a Communist takeover. At the same time, officials did not see any alternative to the prospect of the Administration continuing to give some form of support to the Nationalist government throughout the gradual course of its possible even probable defeat. In other words, in the event of civil conflict, the Administration's

China policy would have no other goal than to maintain a posture of plastic resilience toward an uncertain course of events and, in doing so, to incur considerable degree of risk. In sum, officials were not in the least enthusiastic in their knowledge that a civil war would force the Administration to follow a course of action which in presence of more conventional policymaking sensibilities would have virtually no meaning.[50]

Administration expectations on this score were bound by multiple considerations. To begin with, officials determined that, consistent with global-strategic necessity, one of their chief responsibilities in responding to a Chinese civil war would be to guard against an over commitment of American resources and to prevent the United States from assuming combat responsibilities toward the conflict itself. By mid-1946 there already appeared in Administration thinking that China was simply an area where the extent of the American commitment would have to be strictly controlled. United States involvement in the extraordinary magnitude of the China problem could not be allowed to get out of hand. Officials based this estimate on the view that there were limits to what the United States could do by way of influencing events in China; that ultimately the Chinese would have to solve their own problems; that, if Chinese affairs could not be managed successfully within certain defined limits to the American involvement, there was little

the Administration would be in a practical position to do otherwise.[51]

It was not until 1947 and 1948, and then in a decision-making environ preoccupied with a full scale civil war, that the State and Defense Departments and the Central Intelligence Agency compiled concrete estimations of what level of American support would be necessary in order to save the Chiang regime from a projected defeat. Although in 1948 Defense tended to be a bit more sanguine about the prospect of substantial returns on a somewhat limited investment of support, the prevailing calculation then, as it seems to have been in the Spring of 1946, was that the cost of saving the Nationalist government would be enormous and therefore a prohibitive drain on American resources.[52]

Genuine fiscal and administrative reform of the Nationalist government, political reform of the Kuomintang party, a decisive program of economic and social reform and strict measures designed to enhance the government's military effectiveness might have made a difference. If officials had been able to expect there was some reasonable assurance of a return on their investment, there might have occurred an upswing in American generosity and confidence to become more deeply involved in support of the Nationalist regime. But Chiang's government remained impervious to reform and, as a result, the regime was never able to shed its image as a high risk venture for an investment of American aid.

There was a related consideration which derived its significance from the obvious and unabated corruption, inefficiency and unpopularity of the Nationalist government. The nation's international prestige could not help but suffer severely, if, in a civil war, the Administration's policy appeared to have little substance beyond that of backing a reactionary regime possessed of virtually no redeeming social, economic or political value and seemingly with small chance of surviving in the absence of foreign support. If the Administration were to be drawn into a major underwriting of this type of regime and against an undeniably energetic and increasingly popular Chinese Communist organization, there would be no avoiding the charge, and a very convincing one, of imperialistic American interference in China's internal affairs.

The international aggressions of the Soviet Union, which American officials, by definition, referred to as imperialistic, now more than ever required the Administration to be cautious lest its own foreign involvements too severely damage American credibility by appearing uncomfortably similar to those of the Russians. No where in the world was it of greater importance that the Administration develop its foreign policies in such a way so as to guard against the charge of imperialism and to preserve the nation's anti-colonialist credentials than it was in the fading epicenter of modern European imperialism.[53]

The Administration would have to be careful about the nature and extent of its commitments for other reasons. Officials knew that because of Nationalist organizational and administrative deficiencies they could not commit American resources to China with the idea of counting on the success of its Nationalist proxy in some test of national and ideological prestige with the Soviets. Superior Chinese Communist forces in combination with more convenient supply capabilities because of geographic proximity would give the Kremlin an undeniably and undoubtedly decisive advantage in such a contest.[54]

There was a another possibility, so serious that it did enter into policymaking calculations. Officials considered it possible that if the United States did become significantly involved in China's internal affairs, to include the pressure of American military forces, the Soviets, so as to counter the American escalation, might decide on a commensurate expansion of their own involvement in support of Yenan.

Administration officials foresaw a very dangerous situation if this led to a conflict between the two. An American-Soviet confrontation in China would be very difficult to contain. In all probability it would spread into a more general conflagration, perhaps precipitating a third world war. Decision-makers could not conceive of a more undesirable possibility and were determined that no American

action should be of the sort so as to provoke such a development.[55]

However, it is important to understand that policymakers in 1946 were pretty well convinced that the Soviets in all probability would avoid an overt and large-scaled intervention in support of the Chinese Communists. Moscow's tactics, officials thought, would be indirect and insidious, relying on various means of patient subversion, especially in the process of achieving dominance in Manchuria. The Russians, in other words, could be expected to be careful not to disturb their own highly useful image, however specious, as a champion of anti-imperialist and anti-colonialist ideals.[56]

How the Kremlin would supply the Chinese Communists, and to what extent, remained open questions in advance of the event. After the Spring of 1946, though, Administration officials believed that Soviet acquiescence to Yenan's acquisition of large stockpiles of captured Japanese weapons in Manchuria was merely a harbinger of what could be expected with the outbreak of civil war. American officials generally concluded that under the circumstances in 1946 the Soviets would maintain a low posture and play a waiting game in China on the basis of their expectation that time and events would ultimately favor Russian interests. It was with respect to this eventuality that officials calculated their need to conserve resources in order to

combat possible Soviet aggression in more important areas of the world, even if, in limiting American aid to the Nationalist government, it meant risking the possibility of an eventual Chinese Communist victory in China.

The interesting question is: What might have been the Administration's response to a direct and massive Soviet involvement in support of the Chinese Communists? So far as the documents reveal there was no specific contingency planning in anticipation of this prospect. However, there is no doubt that the Administration would have viewed a Soviet intervention as extremely serious; serious enough to have required a major reassessment of the American postwar posture in Asia and undoubtedly to have prompted the formulation of a significantly more forceful policy throughout the region.[57] But whether this would have included a massive American counter involvement in China is not clear. The same disadvantages would have been present which produced the Administration's general reluctance to become over committed in any event.

Policymakers also believed that, if the United States were to become inextricably embroiled in a Chinese civil war, it was the Soviet interest which likely would be well served. Not only would this reduce the already diminished relative international power status of the United States even further by causing an indefinite drain on the nation's resources, but, with the United States tied down in

Asia, it could well encourage the Kremlin to develop bolder policies toward the Middle East and Western Europe. And, Administration officials were quite convinced this was precisely the sort of situation the Russian leadership would be most happy to see develop and work to encourage, i.e., an American frittering away of valuable resources on international projects of lesser significance to the point of being unable to attend effectively to those more important.[58]

However, as suggested earlier, there was another side to the continuing official desire to achieve a political settlement in China besides the need to conserve the nation's power, i.e., the realization that the Administration would not be able to extricate itself entirely from having to continue its association with Chiang's regime despite the risks of a civil war.

This aspect of official thinking also derived from the Administration's conclusion that worldwide Soviet aggression required a systematic American policy planning response. In this case, the question was: What was the relationship between the nature of events in China and the course of American policy toward other areas of the world? Although officials in 1946 already were settled on the question of China's relative strategic importance, it was still much a matter of preliminary and abstract contingency speculation toward the yet unknown course of international

events and concomitant policy need. It was not until the Summer and Fall of 1947 that this question of China's significance was resolved in context of specific American policy responses to world developments.

It will be recalled that, because of the demands of the global policy-making design, decision-makers could not see much beyond the necessity of reducing China to a secondary level of importance in the scheme of assigning foreign policy priorities. It is vital to understand, however, that in allocating a lesser importance to China, the Administration never gave an exclusive value to higher priority areas. Administration officials continuously assessed the Nationalist situation and events in China as it might affect the potential success of American policy otherwise. As it turned out in the case of China, secondary importance, in effect, meant supplementary importance, for in the period prior to the Korean War Administration officials never seriously considered cutting off aid to the Nationalists for fear that, if they did, it would have a deleterious effect on other foreign policy requirements.

Decision-makers were convinced that if the Nationalists were left to fight their own civil war battles, i.e., if American support was abruptly withdrawn, non-communist morale would collapse and a total Communist victory in China would follow in short order. Although officials expected that the Communists probably would win in the long run

anyway, they nonetheless believed that, no matter how slight the chance for success, it would still be necessary to make the effort to prevent a Communist victory in view of the high stakes involved. At the very least, it would be necessary to delay the event for as long as possible.[59]

The Soviets would view a disavowal of the Nationalists as an American surrender in China as a signal to drop all pretense of restraint in support of the Chinese Communists. There would follow a swift Nationalist defeat which might have the effect of creating such a convincing spectacle of communist momentum in Asia that non-communists would feel their future unavoidably depended on finding some means of accommodation with this seemingly powerful new force. Communist success in China would enhance the prestige and credibility of other communist organizations throughout East and Southeast Asia. In addition, the long standing Chinese Communist association with anti-imperialist and nationalist causes would become a most attractive and compelling model for Asian patriots interested in developing organizational and tactical procedures with which to destroy the remaining vestiges of Western power in Asia.

Victory in China would prompt the Chinese Communists and the Soviets to encourage insurgency movements throughout the region and to extend support for the purpose of achieving independence from colonial rule. The Europeans in Southeast Asia could not hope to hold the line alone in the face of this combination of forces.[60]

Many in the Administration were not especially sympathetic to the imperial presence of Europeans in the region and thought the principle of self-determination of all peoples would require its elimination over time. Decision-makers nonetheless concluded that United States acquiescence was necessary in view of the importance of Southeast Asian resources to the process of postwar European economic recovery and because of the European obsession they be allowed to reassemble their pre-war colonial structures -- an act which some American officials believed represented a frantic, even decadent, effort to restore Old World national and cultural self-esteem. Economic reconstruction and reassertion of West European confidence and morale in 1946, in other words, was more important than applying the principle of self-determination in Asia.

In a related vein, successful insurrection in these colonial empires was sure to have a deleterious effect on already unstable domestic conditions in the Metropolitan countries. Two world wars already had affected severely the established foundations of Western civilization and, with European national self-confidence in serious decline, the loss of their colonies might irreparably damage their will to reassert worthy traditions in the process of postwar reconstruction. To the extent Soviet prestige would be enhanced by association with communist success in East and Southeast Asia, Russian proximity to societal demoralization

in Western Europe undoubtedly would spur the vigor and popularity of European communist parties with a consequent extension of the Kremlin's influence and relative international power.[61]

There were strategic considerations in supporting a continued European presence in Southeast Asia, i.e., the desire to place restraints on an expansion of Soviet power. A European collapse in the region would eliminate the preferred influences of Western civilization in Asia leaving the area open and unopposed to the malignant inspirations of communism. However, the documents also appear to reveal in the attitudes of a number of officials a certain cultural condescension, possibly even racism, in the assessment that, notwithstanding the longevity and richness of the native cultural experience, the future growth and development of Asian society depended on association with, and assimilation of, the benefits of Western civilization.[62]

Moreover, a communist triumph in China could not help but promote a more aggressive communist posture in Korea and Japan, with the simultaneous decline in non-communist morale and will to resist.[63] Communist success on the mainland undoubtedly would have a serious effect on the tenor of the American Occupations Program of democratization and demilitarization in Japan, the feasiblity of which initially drew a good deal of its sustenance from the Administration's goal of achieving unity and stability in China

under the auspices of the Nationalist government, from the related anticipation of being able to cooperate with the Soviets and from the consequent calculation that a major postwar commitment of American power in Asia would not be necessary.[64]

Cooperation with the Soviets clearly was no longer possible, but this would not necessarily require wholesale alterations in Occupation policies if unity and stability could still be achieved in China. If China, the result of a political settlement, did emerge as a stabilizing factor on the mainland, then Soviet power and influence would be effectively proscribed. Under these circumstances, the process of Japanese demilitarization could be continued as planned and there would be no immediate need to undertake the unwanted cost of expanding American power in the Western Pacific.

In sum, officials believed that an abrupt American withdrawal from China would precipitate pervasive crises throughout East and Southeast Asia. And in 1946 the policy options for responding to a general crisis were bleak. Subsequent to a precipitous Communist triumph in China, and following a collapse of Western power in Asia, only the United States would stand in the way of an otherwise clear path for Communist penetration. Yet, under the circumstances of demobilization, reductions in government spending and the need to conserve resources for use in areas with a

higher strategic priority than Asia, the Administration would not be in a strong position to respond at this or that point to Communist pressure.

If each pale American effort was likely to collapse in the face of communist inspired provocation, the appearance of American authority and prestige would deteriorate, finally to be destroyed altogether as successive victories generated a communist courage to expand and intensify their aggressions. The alternative to this gradual retreat would be complete withdrawal from East and Southeast Asian mainland. But just as in the case of the piecemeal, this wholesale acquiescence to Russian expansion would have the same result only in a shorter period of time.[65]

Decision-makers worried about this for the same reason they worried about other related policy matters, i.e., the cost would not be confined to the Far East alone. A weak-kneed American response to Soviet aggressions in Asia would have global consequences. American capitulation in Asia would result in a significantly more opportunistic Soviet foreign policy and the Administration would find itself severely pressed in areas where the vital interests of the nation would be directly at stake and by an enemy with small respect for American ability to respond forcefully. Short of becoming involved in a shooting war with the Russians this was about the most undesirable development which officials could imagine. They much preferred that

Soviet power be challenged and successfully confined on the outer surface rather than at the core of the nation's most important international interests.[66]

In conclusion, by March of 1946 policymakers were convinced that the Communist leaders in Russia could not be expected to develop foreign policies in accord with the normal standards of international conduct. There was no longer any need, as there had been only months before, for equivocation on the question of Soviet reliability or on the issue of continuing to find some grounds for postwar diplomatic cooperation with the Kremlin in solving postwar problems. Soviet machinations had swept away all ambiguity on this score. It was clear that the Kremlin could not be trusted and American foreign policy henceforth would have to be formulated in strict accord with this disheartening fact of international life.

As a result, after the Spring of 1946, the Administration's China policy no longer rested essentially on the design that a political diplomatic settlement in China would lead as a result to a successful postwar accommodation of American and other national interests in East Asia. Now a political settlement, which prevented a Chinese civil war, and its undesirable consequences, was primarily important not because it had intrinsic value as the rational and proper course of action in the aftermath of the Great War. Instead, Administration officials found themselves faced

with the necessity of defining the importance of achieving a political solution in China primarily because of a series of global-strategic considerations. The Cold War in Asia had begun.

[1]Akira Iriye. The Cold War in Asia (Englewood Cliffs, N.J.: Prentice-Hall, 1974), 120.

[2]For the essence of Truman's statement, see, President Truman to General Marshall, 15 December 1945, F.R., 1945, VII, 770-773. (The public statement omitted certain portions of this particular document not intended for public consumption. See, Ibid., 770fn.)

[3]See, Melby, Mandate of Heaven, 49-50, 57-58.

[4]See, Varg, Closing of the Door, 272; See, Personal Statement by the Special Representative of the President, 7 January 1947, China White Paper, 686-689. Marshall never seems to have altered his opinion that the failure of his mediation mission was due as much or more to the determination of Kuomintang generals "to pursue a policy of force" even while the Chinese Communists continued, in his opinion, to exhibit serious interest in a political settlement. It was Marshall's view that the Communists were prepared to continue to attempt to settle China's internal problems by political means "until early in June" of 1946. This information comes from a memo concerning his mission submitted by Marshall on the request of former President Truman in 1954. Memorandum on China by General George C. Marshall to Harry S. Truman, 18 May 1954, President's Secretary Files, Box 74, Truman Papers, HSTL; See, also, Truman, Years of Trial and Hope, 74.

[5]It will be recalled that the Commander of American Forces in China, General Albert C. Wedemeyer, advised Washington in late November 1945 that the Nationalist government did not have a sufficient military capability even to consolidate its position in North China, let alone Manchuria. The Commanding General, U.S. Forces, China Theater to the Chief of Staff, United States Army, 20 November 1945, F.R., 1945, VII, 650-660; James Shepley, having just returned from China in early 1946, where he had been attache to General Marshall, submitted a memorandum to the President in which he detailed the latest major points in Marshall's thinking. Shepley noted Marshall's view, "That neither the National nor the Communist Armies had the capability to bring about a military decision with their own resources...." Memorandum for the President, 28 February 1946, President's Secretary Files, Box 73, Truman Papers, HSTL; A State Department intelligence report of December 1945, advised that, it "...is...unlikely that the Kuomintang even without side aid can totally suppress the opposition. The Communists can be squeezed into a smaller area but probably can continue to resist indefinitely." Department of State, Interim Research and Intelligence Service, Research and Analysis Branch, "Politico-Military Situation in China", 11 December 1945, R & A Report No. 3461, p. 8, II/28.

[6]See, the December State Department intelligence report that, "Kuomintang military superiority in military equipment, though already existing before the war, has been increased by aid from the U.S. Since

the surrender this superiority has been further increased by the accretion of booty from the Japanese and puppets. The Kuomintang possesses more troops than do the Communists, and has more men trained to use modern equipment."; Kuomintang superiority in men and material is such that the Kuomintang is in general capable of winning individual pitched battles with the Commmunists. It is probably able to take any single point held by the Communists. Its offensive capabilites are probably not, however, sufficient to take and hold all Communist territory." Ibid., 4-5. A good deal has been made of the fact that the Chinese Communists received a considerable boost to their military capabilities when, in the months following V-J day and with Soviet connivance, they were able to seize substantial quantities of Japanese arms and munitions in Manchuria. It is of interest to note that it was extimated the Nationalists, at the same time, received 1,235,000 arms and $3.6 billion in Japanese property stockpiled in Indochina! This information was found in notes which Secretary of State Dean Acheson used in commenting on China policy to a group of concerned congressmen in late February 1949. Handwritten notes by Secretary of State Acheson, 24 February 1949, Box 64, Acheson Papers, HSTL; See, also, Tang Tsou, America's Failure in China, 401; "Letter on Transmittal" in China White Paper, xi.

[7]See, State Department, Interim Reserach and Intelligence Service, Research and Intelligence Branch, "Politico-Military Situation in China", 11 December 1945, R & A Report No. 3461, II/28, UPA; See, also Marshall's comments on his 1954 memorandum to former President Truman, that, "Always in my conversations with...(Chiang Kai-shek)...I put forward my military opinion that the use of force at that time by the Nationalist Government could not be productive of more success than that of the capture of cities -- that the long lines of communication made military operations for the Nationalist Government far more difficult than they were prepared to meet. So long as the Communists confined themselves to attacks on the line of communications and the breakdown of the influence of the National Government with the Chinese people, their eventual success seemed to me to be assured." Memorandum on China by General George C. Marshall to Harry S. Truman, 18 May 1954, President's Secretary Files, Box 74, Truman Papers, HSTL; Truman, Years of Trial and Hope, 81; See, also, State Department intelligence concerning a major U.S. military effort to assist Nationalist troops in North China, that, "Without regard to the problems which such a program might raise in U.S. public opinion or in U.S.S.R. reaction, success in rapid establishment of secure Nationalist control in North China and Manchuria even with direct and major assistance from U.S. forces would be highly improbable. The military and political capabilities of the Chinese Communists as demonstrated in the period since the surrender of Japan have been adequate to enable them to secure important territorial gains in North China and Manchuria and must be considered adequate for major and protracted resistance to any forces which might conceivably be employed against them." State Department, Interim Research and Intelligence Service, Research and Analysis Branch, "Estimate of the

Implications of the Present Situation in China for Possible American Program", 14 December 1945, R & A Report No. (?), p. 1, III/25, UPA.

[8]See, two reports by Edwin A. Locke, Jr., who in 1945 with respect to several important projects being on Chinese economic questions was designated as "Personal Representative" of the President, in which he talks at length about how civil war would have disastrous impact on the National government, implying that the advantage, in the event of civil war, would go to the communists. Memorandum by Mr. Edwin A. Locke, Jr., Personal Representative of President Truman in Charge of the American Production Mission in China to President Truman, 20 August 1945, F.R., 1945, VII, 448-453; Mr. Edwin A. Locke, Jr., Personal Representative of President Truman to President Truman, 18 December 1945, ibid., 1363-1376; But it should be pointed out that this assumption was bound up inextricably in all American thinking about the effect of a civil war, namely, that the Nationalist government would be at a distinct disadvantage, the Communists with considerably greater advantage.

[9]See, for example, a February 1946 memorandum concerning General Marshall's views on the situation in China, that, "...neither the National nor the Communist Armies had the capability to bring about a military decision with their own resources, and accordingly, without the intervention of foreign powers...."; It was his (Marshall's) opinion that the communist forces which lay across the throat of the strategic areas of North China and controlled the vital north-south railways, could not be liquidated without full-scale American intervention both in the movement of Chinese forces with American equipment and the use of American personnel, possibly even combat forces."; "Since this was utterly out of the question the Generalissimo would be left unable to eliminate Communist Armies, which, with their backs to Soviet Siberia, could easily be supplied and equipped and led under cover by the Soviets, "Memorandum by the President by James Shepley, Attache to General Marshall, 28 February 1946, President's Secretary Files, Box 73, Truman Papers, HSTL; Varg, Closing of the Door, 235-236; Truman, Years of Trial and Hope, 81.

[10]Several years later, in commenting to a group of experts on Asia assembled by the State Department in October 1949 to contribute their views on U.S. Far Eastern policy, General Marshall recalled, "I had officers pretty much all over North China, along the Yangtze and in Manchuria. ... Always I was trying to find out anything you could put your finger on that was authentic as to the Soviet influence or Soviet help in all this; I never got anything except the influence of what I would call the spiritual, or something akin to that." Minutes of the Meetings of the "Roundtable Discussions" of 6, 7 & 8 October 1949, President's Secretary Files, Box 74, Truman Papers, HSTL.

[11]Numerous documents may be cited which include reference to the "Open Door", see, "Sino-Soviet Relations", 851-1054, F.R., 1945, VII, esp., 979, 980-982, 984-985, 950-951, 960-965; China White Paper, 118.

[12]Varg. Closing of the Door, 199-200, 216; See, also Edwin A. Locke, Jr.'s report to President Truman in mid-December concerning what the U.S. was going to have to do for China in the economic realm, not vice versa, and this for political, not economic, reasons. Mr. Edwin A. Locke, Jr., Personal Representative of President Truman to President Truman, 18 December 1945, F.R., 1945, VII, 1363-1376.

[13]Varg. Closing of the Door, 243-244, 254/fn#30.

[14]For an American estimate of needed economic and social reforms, see, The Acting Secretary of State, 17 January 1946, in U.S. Dept. of State, Foreign Relations of the United States (Washington, D.C., 1972), X, 920-921. Hereafter cited as F.R., 1946, X; The Acting Secretary of State to the Embassy in China, 25 January 1946, ibid., 926; The Counselor of the Embassy in China to the Secretary of State, 29 January 1945, ibid., 930-931; See, also, Mr. Edwin A. Locke, Jr., Personal Representative of President Truman to President Truman, 18 December 1945, F.R., 1945, VII, 1363-1376.

[15]It is of considerable interest, and relevance to this point I would suggest, to note that the China White Paper devotes an entire initial chapter to establishing the historical antecedents of American China policy, plus an annex section of pertinent documents, in effect, its seems, in an attempt to place U.S. policy toward China from 1941-1949 within the context of the "Open Door" tradition. See, China White Paper, 1-37, 413-591.

[16]See Chapter III, 76-79.

[17]Use of "Open Door" language, i.e., concepts associated with this foreign policy tradition, can be seen, for example, in President Truman's public statement concerning the Marshall Mission issued on 15 December 1945. In his statement, the President used such "Open Door" concepts as "astrons, united" China, "self-determination", "to eliminate armed conflict within its territory", "peace and unity", "the development of a healthy economy throughout China and healthy trade relations between China and the United States." China White Paper, 607-609.

[18]This seems almost assuredly was the case in view of the fact that in 1945, American diplomats in discussions with Soviet leaders about China made continuous use of "open door" terminology as a means by which to convey to the Russians the importance which the U.S. attached to achieving "peace and unity" in China, i.e., to achieving the condition of the territorial and administration integrity of China. See, "Sino-Soviet Relations", F.R., 1945, VII, 851-1054. See, especially the memorandum by the Ambassador in Moscow, in advising that "open door" language ought to be used in discussions with the Russians as a means by which to reenforce the Chinese bargaining position against any Soviet efforts to gain further concessions in Manchuria

beyond those established by the Yalta accords. While it is true that reference is made to the possibility that American commerce might be denied to the area if the Soviets were granted further concessions, nonetheless the memo is clear that the primary purpose in approaching the Soviets about the "open door" was to deter any Russian effort to entrench themselves in Manchuria which might result in the failure of the Nationalist government to reassert its effective control in the province, thus to produce a disunited China and therefore subject to an unwanted extension of Soviet power. Memorandum by the Ambassador to the Soviet Union to the Secretary of State, 28 July 1945, ibid., 950-951.

[19]See, Cohen, America's Response, 211-213.

[20]This point is clearly revealed in a State-War-Navy Coordinating Committee (SWNCC) report of early June 1946, that, "Although the United States is attempting to maintain its position as respects the Open Door Policy in Manchuria, as in the remainder of China, it can be assumed that trade with Manchuria will not for decades assume real importance to our economic structure except as Manchurian resources can be utilized to strengthen China, improve her standard of living, and make her a better customer for our products. While such an eventuality would be of considerable importance, it is the benefit to China itself which is of most importance to the United States in terms of our present policy toward China and in terms of our basic interests, which appear to require an Asiatic counter-poise to Russia."; "...without substantial control of Manchurian resources, China may increasingly become an economic and political vacuum into which a powerful and aggressive Russia may inevitably be drawn, regardless of American deterrent action short of war." Report by the State-War-Navy Coordinating Subcommittee for the Far East, no date (late May?) 1946, F.R., 1946, IX, 945. (Another section of the same SWNCC report, made the same point, only slightly differently, "...the United States will be continuing its historic policy of insisting upon the territorial and administrative integrity of China, upon non-interference in China's internal affairs, and upon the equal opportunity of all nations in China's commerce and economic development. This traditional policy coincides with the vital interest of the United States that Manchuria remain an integral part of China and not be utilized by Russia to create a powerful force in Eastern Asia that would constitute a grave threat to the United States." Ibid., 937.)

[21]China White Paper, 136-138.

[22]Ibid., 138-139.

[23]Ibid., 139-140.

[24]Ibid., 140-143.

[25]Ibid., 143-144.

[26]Ibid., 144; On these KMT-CCP negotiations concerning political and military matters in the early months of 1946, see, "Negotiations leading to the ceasefire agreements of January 10, 1946"; "Discussions pertaining to the Political Consultative Conference"; and "Negotiations respecting military reorganization and integration of communist forces into the National Army", F.R., 1946, IX, 1-341.

[27]See, the late February 1946 memorandum concerning Marshall's views on the situation in China, that, "The Chinese Government must have in the next few years generous quantities of American money, American machinery and equipment and personnel, and American guidance, or it is almost certainly foredoomed to collapse."; "If the efforts to make this coalition Government effective should fail we can reasonably expect that China will revert to political and economic chaos and break up into many small autonomous war-lord-dominated areas, which would be easy prey for the Soviet if it is her intent to make a puppet of China and a great temptation for the Soviet if that is not her present intent." Thus, the memorandum went on in so many words, was the vital necessity for Marshall returning to Washington to consult with the President on the matter of assistance to China. Memorandum for the President from James Shepley, Attache to General Marshall, 28 February 1946, President's Secretary Files, Box 73, Truman Papers, HSTL; In 1954, in a brief resume of his 1946 mission, Marshall recalled his thinking about the importance of economic assistance. He particularly wanted to complete arrangements for the transfer to the Nationalist government of American war surplus property in the Pacific area because of his belief that its value would "secure for the Government a tremendous cash return."; would "promote trade"; would "provide labor for many engaged in its modification or repair."; and, thus to afford "a reasonably practical method of combating inflation...." Marshall also thought it important to complete transfer of surplus American shipping to the Chinese government as quickly as possible so as to "provide an effective method of promoting trade relations throughout the river valleys of China." Memorandum on China by General George C. Marshall to Harry S. Truman, 18 May 1954, President's Secretary Files, Box 74, Truman Papers, HSTL; See, also, China White Paper, 145.

[28]It was Marshall's view that the, "...'diehard' elements of the Kuomintang present one of the Generalissimo's most serious problems at this time. It is likely that the Generalissimo can handle them, but before the progress in China that is now promised becomes certain, there will undoubtedly be many tense movements precipitated by the 'diehards'." Memorandum for the President from James Shepley, Attache to General Marshall, 28 February 1946, President's Secretary Files, Box 73, Truman Papers, HSTL.

[29]Melby. Mandate of Heaven, 99.

[30]See, Gaddis, Origins of the Cold War, 299-301; See, also, "Reports on developments of significance within the Soviet Union of concern to relations with the United States and other countries.", F.R., 1945, VII, 695fn.

[31]Gaddis. Origins of the Cold War, 301-302.

[32]The complete text of the "8000-word telegram" can be found in, "The Charge in the Soviet Union to the Secretary of State, 22 February 1946, F.R., VII, 696-709; See, also, Kennan, Memoirs, Annex C, 583-598.

[33]Kennan noted that the telegram's effect in Washington "was nothing short of sensational", it being reproduced and passed around to virtually all who would count in any major foreign policy decision. Kennan then observed that, "Six months earlier this message would probably have been received in the Department of State with raised eyebrows and lips pursed in disapproval. Six months later it would probably have sounded redundant, a sort of preaching to be convinced. This was true despite the fact that the realities which it described were ones that had existed, substantially unchanged, for about a decade, and would continue to exist for more than a half-decade longer. All this only goes to show that more important than the observable nature of external reality, when it comes to the determination of Washington's view of the world, is the subjective state of readiness on the part of Washington officialdom to recognize this or that feature of it." Kennan, Memoirs, 310; There is no doubt of the impact of Kennan's telegram on thinking in Washington about the Soviets. See, Gaddis, Origins of the Cold War, 303-304; Walter Millis and E.S. Duffield, eds. The Forrestal Diaries (New York: Viking Press, 1951), 135-140; See, also, a State Department, "Political Estimate of Soviet Policy for Use in Connection With Military Studies," which included the comment, "For the purpose of this paper there is no value in attempting any exhaustive interpretation or analysis of the possible motives or reasons which underlie present Soviet policy. Recent dispatches from the Embassy at Moscow (especially nos. 511 of February 22 and 878 of March 20) have set forth in full the most probable explanation of present Soviet policies and attitudes." Memorandum by the Acting Department of State Member to the State-War-Navy Coordinating Committee, 1 April 1946, in U.S. Dept. of State, Foreign Relations of the United States (Washington, D.C., 1972), I, 1167. Hereafter cited as F.R., 1946, I. Dispatch nos. 511 and 878 from Moscow were both Kennans, no. 511, the "8000 word telegram". For a cite on no. 511 see, post, fn31. For a cite on no. 878, see, "The Soviet Union", in U.S. Dept. of State, Foreign Relations of the United States (Washington, D.C., 1969), VI, 721. Hereafter cited as F.R., 1946, VI.

[34]See, Gaddis, Origins of the Cold War, 302-304.

[35]Ibid., 309-312; See, also, Brown, Faces of Power, 36-38; Truman, Years of Trial and Hope, 95-97; On this sequence of events in February-March 1946 and the effect on Washington, see, also, Harriman, Special Envoy, 546-549.

[36]See, Memorandum by the Acting Chairman of the State-Way-Navy Coordinating Committee to the Secretary of State, 13 November 1945, F.R., 1945, VII, 620; See, also the view by Secretary of State Byrnes, that, "...a strong unified China was essential to the interests of the United States; that it is necessary to bring the Chinese communist elements, other dissident elements and the National Government of China into a unified government; that if this were not done, we could expect Russia to ultimately take control of Manchuria and maintain a dominate influence in North China. His view was that there was no other step the Russians could be expected to take if China could not, itself, control Manchuria." Memorandum of Conversation by Lieutenant General John E. Hull, War Department General Staff, 10 December 1945, ibid., 762; American officials saw this eventuality not only in light of their emerging presumptions concering the Russian propensity for opportunism and aggression, but as well in relation to vital Soviet strategic interests in East Asia. It is of considerable interest to note a State Department intelligence estimate concerning the Soviet purpose in late 1946 and early 1946 in stripping Manchuria of its industrial equipment. The report suggested, "While these acts may point to some doubt in the minds of the Soviet leaders as to the degree of control that Russia may ultimately be able to secure over Manchuria, their significance lies not only in contributing toward Soviet strength in the Far East, but also -- and primarily -- in delaying the mobilization of Manchurian resources for the reconstruction of China until the nature of the evolving regime (in China) and policies become crystallized." State Department, Office of Intelligence Research, "Recent Developments Concerning Manchuria", 15 March 1946, OIR Report No. 3618, p. 66, III/6, UPA.

[37]On his way back to Washington from Moscow in early 1946, Averell Harriman stopped off in China to give Marshall his views on Soviet foreign policy priorities. In the course of that visit, Harriman also talked with Nationalist leaders, including T. V. Soong, then President of the Chinese Executive Yuan. Although Harriman had "personal misgivings" about Marshall's mission to China, he "...told Soong it was absolutely essential that the National Government "make a deal for the unification of China" with the communists. "Whether it is right or wrong," Harriman added, "the American people would not support a civil war and the communist movement...could be combatted only by strengthening the main body of China economically through a liberal and aggressive economic policy to improve the living conditions of the Chinese people." Harriman, Special Envoy, 541; See, also, Marshall's views that American intervention in a Chinese civil war "was utterly out of

the question...." Memorandum for the President by James Shepley, Attache to General Marshall, 28 February 1946, President's Secretary Files, Box 73, Truman Papers, HSTL.

[38]As already argued at length, the essential reasoning behind the Marshall mission was that, left to themselves, the Chinese would resort to civil war as the means by which to settle their internal political differences. The result, at minimum, would be a divided China, there was a good possibility that the Nationalists would be defeated entirely, in any event, there would occur an extension of Soviet influence and power, a condition contrary to American interests, yet one which the U.S. would not be in a position to prevent. At the time, and in view of this prospect, Marshall felt "that no international situation which involves this country is more important than that which will exist for the next 18 months in China." Ibid. Marshall's Attache, James Shepley (actually Shepley was leaving the service), discussed this late February memorandum concerning Marshall's views of the situation in China with President Truman in early March 1946, a discussion in which the President "agreed completely" that "it is of paramount importance to the United States that the unification...(of China)... must succeed." (emphasis added) Mr. James R. Shepley to General Marshall, 7 March 1946, F.R., 1946, IX, 511.

[39]See, Gaddis, Origins of the Cold War, 290-296; Brown, Faces of Power, 39; See, also, Westerfield, Foreign Policy and Party Politics, Chapter 10.

[40]Westerfield makes the following pertinent point that, "The Republicans played a valuable role in helping to impel a "get tough with Russia" policy in 1945 and 1946, but in matters of national defense they were generally not constructive on those occasions when they opposed administration proposals; their resistance served to impair rather than to promote the strength which would be needed to get really tough." Ibid., 201. (It seems clear that Westerfield imputed too much congressional influence on Administrative officials in their development of "get tough" attitudes concerning the Soviets, attitudes which appear to have developed almost wholly internal to the Administration. By way of contrast to Westerfield's assessment, and as a measure of the emerging disparity in 1945 and 1946 between official and public attitudes concerning postwar cooperation with the Soviets, see, Brown, Faces of Power, 33-37.); Note also, Gaddis' comment that "James Reston noted in early 1946 that those congressmen who shouted loudest for a tough anti-Russian policy were the least willing to vote the money and manpower necessary to implement such a policy." Gaddis, Origins of the Cold War, 262.

[41]Ibid., 262-263; Westerfield, Foreign Policy and Party Politics, 196-200, 201, 203, 207, 209-210; Brown, Faces of Power, 39.

[42]Ibid., 48.

[43]Ibid.

[44]Millis, Forrestal Diaries, 192.

[45]In an oral history interview, George M. Elsey, in 1946 a member of the White House Staff, recalled that in 1946, "The President, in July, talked with Clifford and said he was concerned at the fact that the Russians couldn't be trusted and didn't keep agreements that they had made, and he wanted a list of the agreements that the Russians had violated or broken. Clifford asked if I could obtain or work up such a list and, of course, the answer was in the affirmative, yes."; "We talked about it a good deal and I said that I thought that that was entirely too narrow a question, that the President seemed to be basing too much of his attitude towards the Russians at that point, on this rather narrow point of whether they did or did not adhere to agreements. I thought the whole question of our relations with the Soviet Union at that point was a much more comprehensive, much broader, matter than this technicality of agreement breaking or agreement keeping, that there were far more fundamental issues involved, that the nature of these issues didn't seem to be clearly understood in large parts of the executive branch (witness the fiasco of Henry Wallace), I recommended, and Clifford did then agree, that it would be much better if he, Clifford, would do a report on the totality, if you will, of U.S.-Soviet relations, and if the President found that report acceptable, it could be used, judiciously, because it would necessarily be highly classified, it could be used judiciously by the President, giving copies to individuals in the executive branch or elsewhere, using it as a basis for discussion with people so that we wouldn't have any more Henry Wallace kind of blowups." Oral History Interview, George M. Elsey, February/March 1964, July 1969, July 1970, pp. 263-264, HSTL; The report to which Elsey refers was completed and forwarded to President Truman by Special Counsel Clark M. Clifford in late September 1946. The report urged that, "Our policies must...be global in scope. By time honored custom, we have regarded "European policy", "Near Eastern Policy", "Indian Policy", and "Chinese Policy" as separate problems to be handled by experts in each field. But the areas involved, far removed from each other by our conventional standards, all border on the Soviet union and our actions with respect to each must be considered in light of over-all Soviet objectives."; "The United States cannot afford to be uncertain of its policies toward the Soviet Union. There must be such effective coordination within the government that our military and civil policies concerning the USSR, her satellites, and our allies are consistent and forceful. Any uncertainty or discrepancy will be seized immediately by the Soviets and exploited at our cost."; with respect to this need to coordinate policy on a global basis, the report argued a continuation of existing policy, "In the Far East...this country should continue to strive for a unified and economically stable China...." "A Report to the President by the Special Counsel to the President", (24) September 1946, Chapter VI, pp. 79 and 81, file 75/139B, DDRS.

[46]Of course, this assumption was implicit in the whole purpose of the Marshall mission which in one respect officials hoped would succeed because they knew in the event of civil war, Chiang, in the final analysis would either sink or swim on his own because the U.S. would not be able to support him to the extent necessary to defeat the Chinese Communists. However, already by the Summer of 1946, one can see emerging in the documents a concern on the part of U.S. military officials about the problem of ensuring that they be able to maintain sufficient stocks to ensure their capacity to fulfill commitments worldwide. Actully ranking of countries on a priority basis would not come until 1947. Nonetheless, see, the Acting Secretary of War's concern, that, "At the present time the War Department is confronted with enormous problems in deciding what equipment and supplies should be held...to meet approved foreign commitments and in determining its responsibility toward implementation and support of these programs. This is especially true of the Chinese programs." The Acting Secretary of War to the Secretary of State, 4 June 1946, F.R., 1946, X, 743; See, also, the concern of the Departments of Way and Navy that any U.S. agreement with the Nationalist government on the matter of setting up an American military advisory group in China would have to include the stipulation that the Nationalists not be able to enter into military services agreements with a third government, this in order to prevent the Chinese using the, "...desires of other governments to furnish military aid as (a) lever to increase (the) magnitude of assistance from the U.S. beyond that which would otherwise be in the best U.S. interest." Colonel Marshall S. Carter to General Marshall, 18 July 1946, ibid., 840.

[47]Generally speaking, American officials assumed that civil war or not, the essential purpose of Soviet policy toward Manchuria was to maximize Russian influence in the area. See, for example, the State Department intelligence report, that, "...basic Soviet policy with regard to Manchuria appears to be directed toward promotion of such arrangements in the region as will permit the USSR, or forces fundamentally friendly to it, to play a decisive part in regard to the future status and development of the Northeastern Provinces." State Department, Office of Research and Intelligence, "Recent Developments Concerning Manchuria," 15 March 1946, O.R.I. Report No. 3618, p. 66, III/6, UPA; The Charge of the Embassy in Moscow, George Kennan, agreed, arguing that even short of a civil war the, "...USSR is presumably working for eventual realization of a Manchurian regime which no matter what its form or nominal relationship to (the) Chinese Central Government will be fundamentally more responsive to Moscow's wishes than to Chungking's or Nanking's." With respect to the rest of the country, ultimately, Kennan believed, and no matter what the circumstances internal to China, the Soviets, "...can be satisfied only with influence eventually amounting to effective control." The Charge in the Soviet Union to the Secretary of State, 10 January 1946, F.R., 1946, IX, 116, 118; See, also, the SWNCC report, that "In Manchuria especially the U.S.S.R. is expected to seek to foster the establishment

of an autonomous state dominated by the Soviet Union." The only way to avoid this, the report went on, was to achieve a political settlement in China, the assumption being that civil war inevitably would produce the expansion of Soviet power into Manchuria and beyond. Report by the State-War-Navy Coordinating Subcommittee for the Far East, no date (late May?) 1946, ibid., 935.

[48]The same SWNCC report established that, "...a Manchuria integrated into the Russian economy would prove a grave threat to the United States as well as to China. The resulting self-sufficiency of the U.S.S.R. in the Far East would, taken together with her western industries, place under the control of the Soviet Union the greatest agglomeration of power in the history of the world. China without Manchuria would be no effective counter-poise to maintain the balance of power in the Far East." Ibid., 935.

[49]The Commander of American Forces in China, General Albert C. Wedemeyer, wrote in November 1945, that, "China represents a bridge between East and West. Today, as the result of the emergence of a powerful Soviet Russia, China is also a political and economic arena of the world's two greatest powers, Soviet Russia and America. If China was to become a puppet of the Soviet which is exactly what a Chinese Communist victory would mean, then Soviet Russia would practically control the continents of Europe and Asia. Domination of so great an expanse, particularly by a totalitarian power, would jeopardize world peace. We were determined to prevent Japan from making China a puppet power. It is believed even more important, if we are to realize our policies with reference to China, that Russia not be permitted to do so." The Commanding General, U.S. Forces, China Theater, to the Chief of Staff, United States Army, 20 November 1945, F.R., 1945, VII, 659; The Secretaries of War and Navy, acknowledged that, "...General Wedemeyer's message is a balanced evaluation of the problem of Russia and China in the Far East." The Secretaries also argued that the only way to assure "against turmoil and outbreak of war in the Far East", would be through the emergence of a "unified" China "friendly" to the U.S. Memorandum by the Secretaries of War and Navy to the Secretary of State, 26 November 1945, ibid., 672-673.

[50]The Secretaries of War and Navy in the same late November 1945 memorandum already hinted at this fundamental problem for American China policy. On the one hand they noted the consequences of a complete American withdrawal from China: possible negative world opinion the result of American "desertion of an Ally"; loss of the support of China for the U.S. in world affairs; the degeneration of China into civil war and chaos; and, following from this, a "resultant threat to world peace, and other adverse factors." At the same time, the service secretaries readily granted that a policy of continued American involvement in China was "a matter for political decision" which would have to be calculated on the basis of the "material cost" involved in maintaining the commitment in China; any number of difficulties arising

from a possible civil war; public criticism in the U.S. concerning American interference in China's internal affairs; and "possible difficulties with Russia." Ibid., 673.

[51]All this, of course, followed from the implications of the fact of demobilization, postwar retrenchment of government spending and domestic public opposition to American intervention in China's internal affairs. Although this point will be developed at greater length in the next chapter, in this regard it is of interest to note, for example, that in the Summer of 1946, congressional leaders warned the Administration that any effort to get a bill passed for the purpose of extending military advisory assistance to the Nationalist government was sure to run into hot debate and probably would be defeated. Thus the decision was made to grant military advice to the Chinese through the President's war powers so as to avoid this prospect. The point is, officials were keenly aware of severe limits on their ability to become involved in China. See, Colonel Marshall S. Carter to General Marshall, 23 July 1946, F.R., 1946, X, 754; General Marshall to Colonel Marshall S. Carter, 24 July 1946, ibid., 755.

[52]See, Chapters VI and VII.

[53]It is quite clear that American officials, even by late 1945, were beginning to consider the disadvantages to the American position in the world, in the event that U.S. policies were to be effectively labeled as imperialistic. And, this American concern did not follow merely from a consideration of what negative effect such criticism might have in undermining the United Nations or in prompting domestic public criticism of the Administration. Increasingly, in 1946, officials began to see this problem in relation to the question of how the U.S. could best gain the competitive edge in the emerging struggle with the Soviet Union. As early as September 1945, the Office of Strategic Services observed that the Russian pledge in the Sino-Soviet Treaty of August of "non-interference in the internal affairs" of China and, as well, to respect the "sovereignty and territorial entity" of China, placed the Soviets in a position, "...which will enable them more effectively to charge that the Kuomintang is propped up by U.S. influence and to exploit an 'anti-imperialistic', 'China-for-the-Chinese' theme." The report went on, that such Soviet pledges of "non-interference", did not really, "...change the community of interests between the Chinese Communists and the USSR, a community of interests which both can exploit by propaganda. The agreements do, however, by demonstrating the indigenous character of the Chinese Communists, make the Soviet Union's propaganda more effective with world opinion." Office of Strategic Services, Research and Analysis Branch, "implications of the Sino-Soviet Agreements for the Internal Politics of China.", 7 September 1945, R & A Report No. 3248, pp. 1 & 4, II/23, UPA; The Charge of the Embassy in Moscow, George Kennan, wrote in January of 1946, that, "In seeking to achieve its aims (the) USSR had

always followed and will continue to follow tactics confusing to outside observers.... In general Soviet endeavors to obtain actual but concealed domination of neighboring regimes are characterized by "non-intervention", obfuscation of real issues by special interpretations of such key terms as "democracy", "Fascist", "cooperation", "loyalty", "intervention" and "free elections"; tactical elections"; tactical retreats which are wishfully greeted (in) the West as omens of basic Soviet goodwill but which turn out to be temporary respites or are followed by other more effective tactics." The Charge in the Soviet Union to the Secretary of State, 10 January 1946, F.R., 1946, IX, 116-117; The major and systematic study of Soviet foreign policy, along with suggestions for effective American counterpolicies, which members of the White House Staff began in the Summer of 1946 including the following series of related comments: "The basic Soviet objective in China, Korea and Japan is to ensure that these countries remain internally divided and weak until such time as the USSR is in a position to exert greater influence there than any other country."; "The USSR is seeking wherever possible to weaken the military position and influence of the United States abroad, as, for example, in China."; The report argued that the greatest "danger" to the U.S. position in China was Soviet propaganda which was, "...designed to discredit American forces in China, to convince all political groups in China that American forces should be evacuated at once and to arouse suspicions as to American postwar aims in the Far East."; Generally, the report argued that, "The United States should realize that Soviet propaganda is dangerous (especially when American "imperialism" is emphasized) and should avoid any actions which give an appearance of truth to the Soviet charge." "A Report to the President by the Special Counsel to the President, Clark M. Clifford", (24) September 1946, Chapter I/pp. 2 & 17, Chapter V/p. 5, Chapter VI/p. 79, file 75/139B, DDRS.

[54]See, Memorandum by Brigadier General Thomas S. Timberman to Colonel J. Hart Caughey, 10 December 1946, F.R., 1946, X, 606.

[55]The Director of the Office of Far Eastern Affairs, John Carter Vincent, wrote in September 1946, that, "...it is felt that if we refrain from rendering open military support to Chiang's forces we can avoid development of a situation which we earnestly desire to avoid; that is, an ill-disguised military contest between ourselves and the Russians over China." Memorandum by the Director of the Office of Far Eastern Affairs to the Acting Secretary of State, 26 September 1946, ibid., 228; An officer of the Division of Chinese Affairs observed in early 1947, that, "Uppermost must be the effort to prevent China's becoming a major irritant in our relations with Soviet Russia...." Memorandum by Mr. Philip D. Sprouse of the Division of Chinese Affairs to the Director of the Office of Far Eastern Affairs, no date (early?) February 1947, in U.S. Dept. of State, Foreign Relations of the United States (Washington, D.C., 1972), VII, 786. Hereafter cited as F.R., 1947, VII.

[56]In a September 1946 memo, Vincent, noted that, "It is believed that...(the Soviets)...would be loath to have a situation develope in China where they would find themselves ranged against us in open military support of the warring Chinese factions." Ibid., 228. Earlier in the year, George Kennan had written from Moscow that "Toward China thus far (the) USSR has been patient and cautious in its tactics: patient because (the) USSR is in many respects playing a waiting game in China -- with confidence that events will some day play into Soviet hands." The Charge in the Soviet Union to the Secretary of State, 10 January 1946, F.R., 1946, IX, 117. (This estimate of the Soviet approach to China remained largely the same through the remainder of the Chinese civil war.); See, also, The Ambassador in the Soviet Union to the Secretary of State, 29 November 1946, F.R., 1946, X, 569.

[57]A draft policy memorandum prepared by the Embassy in China in September 1946, included that, "Should it become at any time that the Soviet Union is giving effective assistance to the Communists, it would, of course, then become necessary to reconsider our position and set our course of action accordingly." Draft Policy Memorandum Prepared in the Embassy in China, 6 September 1946, ibid., 150; The Director of the Office of Far Eastern Affairs, echoed the possibility several months later, i.e., "Should, of course, we find evidence of material support for the Chinese Communist armies from the Soviet Union, an immediate reassessment of our position would be necessary." The Director of the Office of Far Eastern Affairs to the Secretary of State, 7 February 1947, F.R., 1947, VII, 792.

[58]See, Kennan's warning concerning Soviet policy, that, "Everything must be done to advance (the) relative strength of (the) USSR as (a) factor in international society. Conversely, no opportunity must be missed to reduce (the) strength and influence, collectively as well as individually, of (the) capitalist powers." The Charge in the Soviet Union to the Secretary of State, 8 February 1946, F.R., 1946, VI, 698.

[59]It appears this is the only explanation which can be placed on the fact, that by the Fall of 1946 and after, when it had become obvious to virtually all that the Marshall mission had virtually no possibility of success, no official concerned with China policy advocated an American withdrawal from China as the alternative to Marshall's failure to achieve a peaceful settlement in China. For example, the Minister-Counselor of the Embassy in China, W. Walton Butterworth (who in the Summer of 1947 would succeed John Carter Vincent as Director of the Office of Far Eastern Affairs) argued from Nanking that, "The primary and most urgent factor is that the existence of a state of civil war will inevitably encourage and increase the interest of the Soviet Union in the Chinese conflict and stimulate its hope that the United States may be persuaded by events to get out of China. Soviet political expansion into China would constitute a threat to the national security of the United States. It is, therefore, of primary importance that the United States remain in China and, concomitantly, that it maintain its

policy objective, the creation of a united China, the first step toward which being a cessation of hostilities. It is merely the tactics to be employed to accomplish the immediate objective that are now subject to review and modification in the light of recent developments."; "In my opinion, it would be as impractical for the United States to withdraw all aid from the recognized government of China and adopt a so-called policy of neutrality as it would be for it to accord all-out support to that government, giving it the wherewithall to solve the Communist problem by force of arms. The former course would discriminate against the effective government of most of China and would ultimately result in a chaotic condition in which the Chinese would find themselves at the mercy of Soviet machinations. The second course would discriminate against a large section of the Chinese people and would almost inevitably result at a certain stage in open or covert Soviet support of the Communists in order to advance their own intersts, eventually leading to the possibility of a serious clash between the Soviet Union and the United States." Draft Policy Memorandum Prepared in the Embassy in China, 6 September 1946, F.R., 1946, X, 148.

[60]For the American sense of the consequences of an American withdrawal and ensuing civil war, see, Memorandum by the Chief of the Division of Chinese Affairs, 16 November, 1945, F.R., 1945, VII, 630; The Commanding General, U.S. Forces, China Theater to the Chief of Staff, United States Army, 20 November 1945, ibid., 647, 659; The Secretaries of War and Navy saw the result of a civil war in China as producing, "...turmoil and outbreak of war in the Far East." Memorandum by the Secretaries of War and Navy to the Secretary of State, 26 November 1945, ibid., 672; See, the interesting, though highly speculative intelligence report that a "captured" document, "...intimates that both the Soviets and the Chinese Communists will "lie low" for a period of about two years, disarming suspicion of ultimate aims, but then after we have been sucked in, in our scheme of giving China...billions in loan and relief, draining our resources, then the Soviets will launch their active campaign to rob us of our gains and will use China as a base for sovietizing all Asia." The Commercial Attache in China to the Charge in China, 3 January 1946, ibid., 721; Memorandum by the Second Secretary of the Embassy in the Soviet Union, 10 July 1945, ibid., 931-932; See, the official assessment by Marshall's military representative in Washington in 1946, that, "The obvious Soviet aim in China is to exclude U.S. influence and replace it with that of Moscow. The major concern is that, should the U.S. for any reason or reasons withdraw from China, the result would be a triumph for Soviet strategy in an area of global importance."; "Our exclusion from China would probably result, within the next generation, in an expansion of Soviet influence over the manpower, raw materials and industrial potential of Manchuria and China. The U.S. and the world might then be faced in the China sea and southward with a Soviet power analogous to that of the Japanese in 1941, but with the difference that the Soviets could be perhaps overwhelmingly strong in Europe and the Middle East as well." Colonel Marshall S. Carter to General Marshall, 14 August 1946, F.R., 1946, X, 27-28.

[61]See, the comment by Edward R. Drachman, that, "Since most Frenchmen saw their empire as a symbol of France's strength and unity, the State Department considered support of the French in Vietnam essential for the maintenance of a strong, stable, French Government." Edward R. Drachman. United States Policy Toward Vietnam, 1940-1945 (Rutherford, N.J.: Fairleigh Dickinson University Press, 1970), 126; Edwin O. Reischauer. Beyond Vietnam: The United States in Asia (Tokyo: Charles E. Tuttle, Co., 1967), 20. Reischauer writes, "In 1945-46 I was temporarily in the State Department and I remember very clearly that those of us with a strong interest in Asia felt that the U.S. should not support the restoration of colonial regimes where these had been swept away by Japanese conquest....; The Pentagon Papers: The Defense Department History of United States Decision-making on Vietnam, Vol. I. The Senator Gravel Edition (Boston: The Beacon Press, 1971), 28-29; Ellen J. Hammer. The Struggle for Indochina, 1940-1955, (Stanford University Press, 1954), 202; See, also, the interesting statement of the American dilemma by a SWNCC Subcommittee on Rearmament report that, "Our present policy toward France is based on the belief that it is in the best interests of the United States that France resume her traditional position as a principal power capable of playing a part in the occupation of Germany and in maintaining peace in Europe. The recruiting and equipping of French military forces would be a natural corollary of this policy, and politically such a move could be portrayed as a further evidence of American friendship for France and a proof of our desire to see her as a strong nation." However, with respect to this policy, the report went on, "Due to the unsettled conditions at present prevailing in Indo-China, the Department of State finds itself in a somewhat difficult position. As indicated above, it believes that as a general principle, the United States should support the armed forces of France with military supplies. On the other hand, it does not at this juncture desire to strengthen the hand of the French Government in its current attempt to restore by force the prewar position of France in Indo-China." The report also noted a similar dilemma for the U.S. in the case of the Netherlands and her Indonesian colony. Report by the Subcommittee on Rearmament to the State-War-Navy Coordinating Committee, 21 March 1946, F.R., 1946, I, 1154-1156; Note, also the reticence of the State Department to push the issue too far in complaining about the French effort to re-establish its position in Indo-China for fear that such criticism might enhance the political position of the powerful French Communist Party which at that time was "harping" on the theme of "foreign intervention" in Indo-China's internal affairs which were properly a French reserve. Memorandum of Conversation by Mr. Charlton Ogburn, Jr., of the Division of Southeast Asian Affairs, 31 December 1946, in U.S. Dept. of State, Foreign Relations of the United States (Washington, D.C., 1971), VIII, 83. Hereafter cited as F.R., 1946, VIII.

[62]See, the statement by the Secretary of State, that, "The Vietnam Government is in control of a small Communist group possibly in indirect touch with Moscow and direct touch with Yenan."; "French influence

is important not only as an antidote to Soviet influence but to protect Vietnam and SEA from future Chinese imperialism." The Secretary of State to Certain Missions Abroad, 17 December 1946, ibid., 72-73; The available documents clearly reveal considerable concern in Washington over the possible affiliations of Ho Chi Minh and his Vietminh with Moscow and Yenan. See, The Acting Secretary of State to the Consul at Saigon, 9 September 1946, ibid., 57; The Consul at Saigon to the Secretary of State, 17 September 1946, ibid., 59; The Ambassador in France to the Secretary of State, 29 November 1949, ibid., 63; See, Under Secretary of State Dean Acheson's message to Abbot Low Moffat, Chief of the Division of Southeast Asian Affairs, in late 1946 on a fact finding mission in Indo-China, that, "Assume you will see Ho in Hanoi.... Keep in mind Ho's clear record as (an) agent (of) international communism, (and) absence (of) evidence recantation of Moscow affiliations...and support Ho receiving (from the) French Communist Party." The Acting Secretary of State to the Consul at Saigon, 5 December 1946, ibid., 67.

[63]For American concern about the Japanese Communist Party, see, Memorandum by the First Secretary of the Embassy in the Soviet Union, 10 August 1946, ibid., 285; See, also, the comment that, "Japan is groping for a new ideology to replace the shattered one which was so carefully and deliberately constructed during the years of military-feudal control. The old has been discredited and the new is attractive. Liberalism is vague and difficult to define. Communism is positive and concrete. It will be favored by the present serious economic insecurity. It will take at least moral encouragement from Soviet participation in control of Japan." This particular report went on to suggest that communism in Japan was not that significant a political movement, "But they will grow stronger." The Acting Political Adviser in Japan to President Truman, 4 January 1946, ibid., 88-89; See, also, "The USSR has a well disciplined political instrument of Soviet policy in (the) Jap Communist party."; "Accordingly, every effort sould be made to avoid bolstering Jap Communists who in (the) final analysis support Soviet attempts to undermine American prestige and position in the immediate occupation and in the longer accomplishment of our Pacific policy." Mr. Max W. Bishop, of the Office of the Political Adviser in Japan to the Secretary of State, 10 April 1946, ibid., 193; For an understanding of the American view of the requirements in Korea, see, Memorandum by the Assistant Secretary of State for Occupied Areas to the Operations Division, War Department, 6 June 1946, ibid., 693-699; Generally speaking, American policy by end of 1946 sought to offset the assumed fact that, "The basic Soviet objective in China, Korea and Japan is to ensure that these countries remain internally divided and weak until such time as the USSR is in a position to exert greater influence there than any other country." A Report to the President by the Special Counsel to the President, Clark M. Clifford, (24) September 1946, p. 17, file 75/139B, DDRS.

[64]See, the revealing comment on this point made in late 1946 by George Kennan, that, "The basic ideas with which we entered on the occupation of Japan apparently did not take into account the possibility of a hostile Russia and the techniques of communist political penetration." Memorandum from George F. Kennan to the Secretary of State, "Resume of the World Situation", 6 November 1946, file 75/43C, DDRS.

[65]George Kennan's "8000 word telegram" argued this line of thinking as it applied on a worldwide basis in the effort to respond effectively to Soviet expansionism. As his warning and suggestions applied to Asia, the following series of comments from the telegram are pertinent: "Toward colonial areas and backward or dependent peoples, Soviet policy ...will be directed toward weakening the power and influence and contacts of advanced Western nations, on (the) theory that insofar as this policy is successful, there will be created a vacuum which will favor Communist-Soviet penetrating." With respect to this situation, as in all others concerning the Soviet effort to advance its power and influence, Kennan argued, it would have to be, "...approached with (the) same thoroughness and care as (in the) solution of (a) major strategic problem in war, and if necessary, with no smaller outlay in planning effort." Generally, Kennan advised that in planning an American response, Administration officials should keep in mind that, "Soviet power, unlike that of Hitlerite Germany, is neither schematic nor adventuristic. It does not work by fixed plans. It does not take necessary risks. Impervious to logic of reason, and it is highly sensitive to (the) logic of force. For this reason it can easily withdraw -- and usually does -- when strong resistance is encountered at any point. Thus, if the adversary has sufficient force and makes clear his readiness to use it, he rarely has to do so. If situations are properly handled there need be no prestige engaging showdowns." The Charge in the Soviet Union to the Secretary of State, 22 February 1946, F.R., 1946, VI, 702, 707.

[66]As a measure of this type of thinking, see Secretary of the Navy, James Forrestal's recollection of an August 1946 meeting with then Under Secretary of State Dean Acheson and President Truman in which the main topic of discussion was Turkey. Acheson observed that if the Soviet Union were allowed to pressure Turkey, then Greece would be next, "...with the obvious consequences in the Middle East and the obvious threat to the line of communications of the British to India." Forrestal then noted that, "The President replied that he was perfectly clear we should take a firm position both in this instance and in China; that we might as well find out whether the Russians are bent on world conquest now as in five or ten years." Millis, Forrestal Diaries, 192.

CHAPTER V

THE MARSHALL MISSION, APRIL 1946 - JANUARY 1947: IMPLEMENTING THE POLICY OF LIMITED WITHDRAWAL

When Marshall returned to China in mid-April after a month-long stay in Washington his goal of achieving a peaceful political settlement had become important for little more than the dismaying reason that the Administration was anxious to avoid the consequences of a Chinese civil war. Decision-makers were not prepared to implement some specific policy toward China if Marshall proved unsuccessful in his mission.

If the special envoy failed to arrange a political settlement, however, officials wished to avoid the appearance of an ineffectual United States presence in China. They knew they would not be in a position to implement a future policy of helping the Nationalist government to win a civil war. Rather, policy-makers would have to be satisfied with the more negative intent of preventing a dramatic communist success for as long as possible and, by holding the line in China, of obstructing to the maximum extent a convenient expansion of Soviet power and influence into other areas of Asia.

Such a policy would be necessary because, though the Administration would need to sustain the Nationalist

government in its military operations against the communists for an indefinite time, perforce it could be no more than a program of limited assistance in view of the requirement that the nation's energies and resources would have to be conserved for deployment elsewhere. The Administration at that point would find itself in the very ambiguous position of being able neither to guarantee the future of Chiang and his regime nor to abandon the Kuomintang to its fate. Reserving some middle ground for American China policy, which precluded both over commitment and under commitment to the non-communist cause, would be the only way the Administration could expect to maintain a strategically necessary but tactically safer relationship to a Nationalist government locked in mortal combat with the Chinese Communists.[1]

Marshall's activities after the Spring of 1946 naturally reflected his and the Administration's most immediate and overwhelming concern to facilitate a political settlement and to avert a civil war. As a result, throughout the full course of the American mediation effort, virtually all of the calculations and decisions of the General and his staff were made in light of this primary interest. However, since decision-makers viewed the nature of the American involvement in China as it might affect other foreign policy priorities, and since policy-makers believed it was going to be necessary to continue to give some form of support to the Nationalist government whether Marshall

succeeded in his mission or not, officials were also compelled to recognize the necessity of creating the sort of American presence in China that would keep to a minimum the risk which the Administration could expect to incur in continuing to support Chiang's regime subsequent to the outbreak of civil war.

This latter consideration was actually the other side of the policy of seeking to encourage a political settlement. In other words, the more remote a political settlement, the more urgent it was that the Administration undertake to initiate a program of limited withdrawal, thereby reducing the nature and extent of the American presence in China. Only in this way would the Administration be better able to insure that the American relationship to China and the Nationalist government did not develop in a manner that would prove to be a liability under the circumstances of civil conflict.

These related purposes were reflected in the Administration's decisions concerning economic and financial assistance to Chiang's regime. For most of 1946, however, the more dominant consideration was: When and how could assistance be given so as to maximize prospects for achieving a political settlement? American officials, therefore, displayed a constant attention to the question of timing in their willingness to engage in substantive discussions with the Chinese.

For example, at the beginning of 1946, the National Advisory Council decided, in accord with General Marshall's request that, short of certain essential forms of assistance for which the Nationalist government had indispensable need, the Administration would refrain from taking action on any major program of economic and financial aid to China, until Marshall's mediation efforts demonstrated some degree of success. This decision had no other significance than to enhance his bargaining advantage with the Kuomintang leadership and to encourage Communist interest in a political settlement. Consequently, a series of aid questions remained in abeyance and unresolved in the first months of 1946.[2]

By March however, the Administration was prepared to act. General Marshall's return to Washington for the primary purpose of obtaining economic assistance for the Chinese produced results. In view of the apparently constructive trend of political events in China, Marshall received prompt and favorable consideration from the Export-Import Bank (EIB) on a series of previous Chinese applications for assistance totaling almost $70 million in credits. He also requested, with National Advisory Council approval that, as a reward for Chinese efforts to achieve peaceful settlement, the EIB consider making available a further $500 million in credits to be used for a variety of projected postwar reconstruction purposes. Bank officials agreed to

earmark the sum running for a period ending in June of 1947.[3]

Unfortunately, the timing of Marshall's and the Administration's decision to extend these forms of assistance did not have the desired effect. In fact, although the resolutions of the Political Consultative Conference and the reorganization proposals of the Three-man Military Commission appeared to take a healthy step in the direction of a political settlement, the hiatus in hostilities between the Kuomintang and the Chinese Communists did not long survive General Marshall's early March departure for Washington. His month long absence from China probably had little bearing on what would have occurred anyway. The leaders of neither party were ever partial toward the condition of political pluralism and undoubtedly never conceived their ultimate goal as any other than exclusive predominance. The legacy of intense bitterness produced by almost 20 years of conflict created such inordinate suspicions on both sides that, despite a mutual display of peaceful purpose in the early months of 1946, a political settlement never had any good chance to succeed.[4]

The situation in Manchuria proved to be the immediate catalyst in upsetting the fragile ceasefire. Because the area had great strategic importance for both the Kuomintang and the Communists, the Soviet announcement that their troops would be withdrawn completely by the end of April

produced an undisguised race for position and control between the two. By the time Marshall returned to China on April 18th, the January ceasefire was in a shambles. Large-scale battles resulted in the fall of the Manchurian capital to Communist forces on the day of Marshall's arrival. By the end of the month fighting had spilled over into the provinces of North China.[5]

From the point at which the January ceasefire disintegrated in the presence of the Kuomintang-Chinese Communist competition for Manchuria and North China and until the end of 1946 and General Marshall's return to Washington in early 1947, his mission of mediation an admitted failure, there were no really meaningful breaks in the fighting. There was a two-week ceasefire in early June, later extended to the end of the month. However, this was not matched by genuine concessions on either side with an eye to carrying through to a peaceful political settlement. Fighting resumed in July and continued to one degree or another into the fall.[6] Another ceasefire went into effect in the early part of November. But by mid-month there were obviously no grounds left for discussion and with negotiations terminated, the Communist delegation headed by Chou En-lai returned to Yenan on the 19th. By the end of November, the fight to the finish had begun.[7]

In context of this steady deterioration toward civil war Marshall and his staff found no further substantive opportunity to use effectively the tactic of giving economic aid as a reward for Chinese progress in achieving a political settlement. The Administration's decision in mid-June to grant to the Nationalist government slightly over $50 million in credits through the so-called Lend-Lease "Pipeline" Credit Agreement and in late August to sell, under extremely favorable terms, some $900 million in war surplus properties located in India, the Western Pacific and in China, therefore must be understood more as indicative of the already established American inclination which was to continue to support the internationally recognized government of China even if a political solution failed.[8] The October creation of a joint Chinese-American agricultural mission, the November signing (subject to ratification) of a Treaty of Friendship, Commerce and Navigation and the December concluding of a Civil Air Transport Agreement, all with the Nationalist government, were further testimony of the Administration's unquestioned intention to remain affiliated with Chiang's regime.[9]

However, the Administration clearly was disposed to control the extent of that relationship. When EIB officials agreed in March to earmark $500 million in credits, they did so provided only that the Chinese meet the Bank's statutory criteria for the granting of loans. In other

words, internal conditions in China had to be conducive to economic growth and development, which meant political stability was imperative, and the Nationalist government would have to demonstrate a reasonable capacity for fiscal and administrative responsibility.

But none of these EIB criteria were fulfilled and consequently the Chinese failed to obtain any actual grants of aid under the Banks' $500 million earmarking.[10] With the prospect of a political settlement all but eliminated by the end of November, Marshall was willing to support Chinese requests for certain "preliminary" and limited EIB loans for specific and pressing needs. However, he was generally of the opinion that any Nationalist request for a major program of assistance to the EIB should be decided essentially on the basis of its "commercial and technical" merit, parsimoniously concluding that the question is "just how much of any loan should be granted in the light of the present political and military attitude of the government."[11]

Even at the end of 1946 Marshall's attitude still included the hope that the prospect of receiving extensive economic aid could be used to induce the Nationalist leadership to return to the negotiating table. In this regard though, the General simply was continuing to fulfill properly his responsibility as a mediator, i.e., forever retaining optimism until the point of formally terminating the role.[12] Realistically, there was virtually no chance for a

political settlement by this time and more practical questions already had begun to dominate in official calculations: What kind of aid could be granted under the dangerous circumstances of a civil war; when and how could it be extended so as to maximize the prospects for the Administration achieving the full range of its foreign policy goals; or conversely, when and how so as to avoid vitiating the full measure of that prospect?[13]

However, if the associated goals of encouraging a political settlement while developing a "safe" United States involvement on the East Asian mainland were manifest in the Administration's policy of limited economic and financial assistance to Chiang's regime, the policy's objectives were even more dramatically apparent in official calculations concerning the issue of granting military aid. This was true for the simple reason that the problem of military assistance included the process of creating a military advisory mission to the Nationalist government, the type of United States involvement which ran the highest risk of becoming mixed up in combat hostilities and thus the type of presence most subject to possible future pressures to escalate the American commitment.

In late February, President Truman announced that the United States Army in the China Theatre -- the wartime designation for the American military presence in China -- which had remained in existence after the war to help

Chiang's regime reoccupy the country and to aid in the repatriation of Japanese troops, would be deactivited finally in favor of creating an American military advisory mission to the Nationalist government.

This decision reflected the desire to facilitate a political settlement in several ways. Since the Nationalist government's reoccupation of the entire country was complete and a good deal of the task of repatriating Japanese troops had been fulfilled, or arrangements made to return those which remained, the justification for continuing the China Theatre command was significantly diminished. However, the announcement by the Three-Man Military Commission -- of which Marshall was a member -- of proposals for the military integration of the Kuomintang and Chinese Communist forces, created the most immediate reason for establishing of an advisory mission.[14]

This had been promised earlier by the President once the Kuomintang and Communists agreed to unify their armies, i.e., an advisory mission to train and advise an American equipped Chinese military force to serve a coalition government for the purpose of maintaining internal order and stability. Also, since the related processes of reoccupation and repatriation were nearing completion, the Chinese Communists were more likely to interpret a continuation of the China Theatre command as an indication of calculated impartial American support for the Kuomintang and

hence possible grounds for ending their participation in negotiations concerning a coalition government. Administration officials hoped that the White House statement announcing the decision to go ahead with the military advisory mission would have the effect of reinforcing the apparent movement in early 1946 in the direction of a political settlement. Officials also intended the creation of the mission as part of a reward to the Chinese for having made this effort.[15]

Subsequent to the Administration's proposal to establish the mission, Marshall and his staff continued to use the question of its creation in order to stimulate political negotiations between the Kuomintang and the Chinese Communist Party. In mid-June, the White House submitted to Congress a China Aid Bill to authorize extension of American military advice and assistance to the Nationalist government, this to replace the wartime Lend-Lease authorization which was due to terminate at the end of June and under which all previous military aid had been legally administered.[16]

It quickly became clear, however, that the Bill had little chance of passing the 79th Congress short of a strong appeal on the part of Marshall himself. Moreover, the Administration was informed by certain knowledgeable Congressmen that the effort to pass the Bill was sure to bring substantial criticism from those members of Congress

opposed to the American involvement in China. There was even a possibility the Bill could be defeated.[17]

In response to requests from Washington as to what should be done on the matter, General Marshall replied that the Administration should neither withdraw the legislation nor urge its passage. Marshall based his directive on the view that if the China Aid Bill passed it would encourage those "reactionary" elements in the Kuomintang who favored using military force against the Communists. Conversely, if the Bill did not pass, Marshall reasoned, it might have the effect of frightening the Kuomintang leadership more in the direction of serious political negotiations because they were banking on the United States being forced eventually into supporting the Nationalist government no matter what happened.

On the other hand, there was the consideration that if the Aid Bill did come up for a floor vote, and in the midst of substantial criticism was defeated, the Communists would interpret its demise as an indication of weak domestic American support for Chiang Kai-shek and his regime, and hence a signal they could expect greater advantage for themselves by acting in a more belligerent fashion. Marshall thus preferred to let the Bill die quietly (and so far as the interested Chinese parties were concerned, ambiguously) in congressional committee. The Military Advisory Mission could go forward, officials decided, under authorization from the President's emergency war powers.[18]

Marshall and many of his staff conceived that the introduction of a military mission might stimulate a political settlement in another way. After the Spring of 1946, the more it seemed that the two sides were moving further away from a political settlement, the more important the question of the Kuomintang's popular image seems to have become for many American officials. Marshall appears increasingly to have been prone by the summer months to admonish the Kuomintang leadership on the necessity of far reaching reform -- party reorganization and meaningful social and economic legislation -- as vital in order to promote a political settlement.

Marshall's thinking on this score derived from several considerations. He felt that the party needed reorganization to broaden its dwindling popular base of support and to bring more progressive elements into the decision-making levels of the party while, at the same time, eliminating in the Kuomintang the increasingly prominent role being played by those "reactionaries" opposed to a negotiated settlement with the Communists. He also believed that "extremist" factions within the Chinese Communist Party were exerting greater influence on policy matters on the basis of their argument that Kuomintang corruption and maladministration was so alienating the government from popular sympathies that a civil war likely would result in the regime's quick defeat.

Marshall thought that the only way this latter view could be countered effectively was if the Kuomintang through genuine and far reaching reform proved able to refurbish its image as a vital, energetic and progressive alternative to the Chinese Communists. His assumption, shared by other American officials, was that many politically-aware Chinese were opposed to the Kuomintang not because they were committed communists but because the Chinese Communist Party posed a much more attractive option to the unprogressive and moribund Kuomintang. It followed in this thinking that the Chinese, like any thoughtful people, would always choose to support a progressive non-communist alternative if a genuine opportunity were to present itself. Thus, granting the fact of government reform and the anticipated swing of popular sympathy to the Kuomintang, the Communists would be substantially less inclined to consider that a civil war would work to their advantage and more willing to perceive the necessity of joining a coalition government.[19]

The favorable consequences of this plan, however, would be substantially offset unless the nationalistic-patriotic credentials of the Nationalist government appeared impeccable. And in 1946 officials thought this would require a significant reduction of the United States military presence in China. Patriotic Chinese sentiment was so sensitive on the point of foreign interference in China's

internal affairs that any large and continuing American military involvement was sure to draw criticism as imperialistic meddling and to tarnish the regime's image by implying it would be unable to continue governing in the absence of outside support.[20] Kuomintang leaders, it seems, were fully in accord with American thinking on this particular point and welcomed the creation of a military advisory mission which the President initially limited to no more than 1000 total personnel.

The essence of the Administration's calculations on the matter of the military advisory mission, however, which went beyond the effort to stimulate a political solution to China's internal problems. Of major significance was the belief of decision-makers that any large-scale American military presence in China was going to have to be eliminated in quick order once the Soviets began to withdraw their troops from Manchuria. Because of developing American-Soviet hostilities and the need to protect the nation's international prestige, this had become especially important so as to remove the more convenient grounds for charging that the American involvement in China was neo-colonial or imperialistic.[21] Since the publicized justification for American troops remaining in China was fading quickly, i.e., Nationalist reoccupation was complete and the task of Japanese repatriation well under control, the unaltered continuation of the China Theatre command would have no chance of

avoiding such criticism. Consequently, although American Marines not part of the advisory mission did remain in China for various guard duty purposes until mid-1947, from a peak high of 73,000, their number was reduced gradually to 5,000 by the end of 1946.

The threat of all-out civil war made the reduction of American military forces even more important, especially when viewed in conjunction with Kuomintang corruption and maladministration and the continuing intransigence of Nationalist leaders in response to American entreaties to carry through necessary reforms. Administration officials were convinced that once engaged in conflict with the Communists, if it had not done so already, the Kuomintang would find it impossible to undertake a significant program of reform, and, as a result, whatever popular support which still favored the Nationalist government would gradually drift away.

Under those circumstances, any continuing large-scale American military involvement would prove very embarrassing to an Administration which had already determined that once engaged in a civil conflict the Nationalist government was going to have to be satisfied with a program of limited assistance. Officials would be faced with one of two unsettling options with respect to a civil war and the existence in China of a large American force: either a precipitous withdrawal of those troops with a disastrous

effect on non-communist morale, a favorable impact on that of the Chinese Communists and with the possible further result that Soviets might interpret withdrawal as a faint-hearted American retreat thus precipitating a more aggressive China policy on their part, or, retention of those troops in China thereby running the danger of their becoming involved in hostilities. In the latter case, moreover, the Administration would find itself maintaining a substantial military relationship to the Kuomintang with popular support steadily gravitating to the Communist rebels because of government corruption -- a nearly indefensible position in light of the anti-imperialist principle of national self-determination for all peoples.[22] This was precisely the type of no option situation which officials hoped the Administration would not be faced with if the Marshall mission were to fail.

However, it was this constant risk of American troops becoming involved in combat hostilities which had Administration officials especially worried. And, the larger the number of American soldiers stationed in China, the greater the danger of this happening. Even before his return to the United States in early March, Marshall was anxious to remove this potential hazard and suggested that Washington should begin to formulate arrangements to dissolve the China Theatre command. State Department officials were equally concerned on this score. Movement in the

direction of planning for an advisory mission in January and February, thus, was predicated on the desire to reduce to a minimum any future possibility of the United States being drawn directly into a Chinese civil war.

When the subject of creating a military advisory mission began to be discussed in Washington in early January of 1946, the State Department raised immediate objections both as to the size and function of an earlier tentative military mission proposal by the Joint Chiefs of Staff (JCS).[23] The Secretary of State, drawing his cue from the Office of Far Eastern Affairs, complained that the JCS plan of 4600 American military personnel was roughly equivalent to the size of the British peacetime force in India. The Secretary's allusion was obvious. If the JCS proposal were put into effect without modification, the American military presence in China would run the risk of being compared to British imperialism in South Central Asia and of being condemned as just another example of a Western power attempting to establish a military foothold on the Asian mainland. The Secretary also objected that the JCS did not specify definite restrictions on United States military personnel from becoming involved with Nationalist forces at the operational level, thus running the danger of American forces becoming directly involved in combat hostilities.[24]

Generals Marshall and Wedemeyer and Chiang Kai-shek in China apparently all were agreed with the Byrnes'

assessment. Wedemeyer, having consulted with Chiang, suggested that the mission should include 750 Army and roughly 150 Navy personnel. He further observed that the mission should be allowed to operate only in an advisory-planning capacity at the General Staff level or in a training capacity at the Chinese service academies, but strictly in all cases to refrain from any involvement at the operational levels.[25]

The Presidential order to the JCS in the latter part of February, directing that a military mission be established, incorporated these suggestions with only slight alteration, to wit, that the mission could be as large as but should not exceed a total of 1000 officers and men. The White House, emphasizing the importance which it attached to the specifics of its directive, added the further proviso that the stated limits on the mission were not to be exceeded except by a direct order from the President himself.[26]

Administration decisions regarding the nature of the military advisory group resulted from the desire to create a mission that could continue to operate during, but not become directly involved at the combat level, should a civil war occur. This required that the scope of the mission not be allowed to exceed manageable proportions. Thus the size and the defined function of the mission created

minimal risk of American troops becoming involved in hostilities and would present small problem in case it became necessary to withdraw them in a hurry. It was the kind of involvement which would eliminate the more convincing charges of United States imperialistic interference in Chinese affairs and also the type which would reduce the dangers of future pressures to increase the American commitment or to cause some significant counter-escalation by the Soviets.[27]

The decision in late July to prohibit the issue of export licenses for the purpose of shipping arms and ammunition to the Nationalist government also reflected the goals of the Administration's policy of limited withdrawal. In context of Marshall's mediation efforts, the immediate purpose of this embargo on munitions to China was to dissuade Chiang and his generals from pursuing further a policy of force against the Communists and to persuade the latter of the continuing sincerity of the American purpose in promoting a political settlement.[28] The American ploy did not have the desired effect as fighting continued to one degree or another through the summer and into the fall.

However, beyond this, officials more broadly conceived the arms embargo to be, as they put it, in the "American interest".[29] What policy-makers wanted to avoid was the appearance of giving substantial outlays of military aid to a "reactionary" regime insensitive to the need for

far reaching political, economic and social reforms and seemingly without any regard for the further chaos and misery which a civil war would bring to an already beleaguered Chinese people. Not only was it important to discourage the Kuomintang in its policy of force but to avert the precedent of the Administration gratuitously giving military aid to this kind of regime as well. It was vital that the Administration early place qualifications on its willingness to grant military assistance so as to create a sustained and compelling argument against future pressures to escalate the American commitment. The longer unqualified military aid continued to be granted while the two sides fought, the more difficult it would be to justify what the Administration already determined would be necessary under the circumstances of civil war -- a program of limited assistance to the Nationalist government.[30]

With respect to the period 1945 through 1950, there is no less room for debate concerning the question of the effect of American public opinion on the nature of Truman Administration China policy than for the year 1946. As outlined in an earlier chapter, a series of public attitudes, which many policy-makers shared, did have influence on the formative process of planning the Marshall mission. However, subsequent to the formulation of the mission's priorities and goals and Marshall's departure for China in the latter part of December of 1945 and until his return to

Washington in early January of 1947, American public opinion, so far as the documents reveal, had absolutely no bearing on the essence of China policy. In fact, for the year 1946 it is a rather simple process to identify the source of decision-making on all major policy questions. General Marshall himself was that source and his instructions with respect to virtually all policy matters were treated as sacrosanct, both by the American diplomatic and military communities in China and by all interested government agencies in Washington. The White House backed his decisions without the slightest murmur of objection. In a word, Marshall's views constituted American China policy in 1946.[31]

Marshall's nearly absolute control over the course of affairs may have been prompted in part by the desire to avoid the sort of controversy which had developed on the question of American China policy during the war and immediately after. Marshall possibly wanted to prevent the type of conflict which had characterized the relationship between Generals Stilwell and Chenault or later which had produced the exchange between Patrick Hurley and certain China-based Foreign Service Officers, both episodes in some measure the result of ambiguity in the chain of command.[32] On the other hand, his recognized preeminence on policy matters also may be understood as a consequence of his role as mediator. He had to be given free rein to operate with respect to what he

understood the necessity of the moment required. The success of his effort, to a significant degree, might depend on this ability to seize some fleeting opportunity in the flow of negotiations, an opportunity which might be hopelessly compromised if he were somehow subject to extraneous and complicating demands and pressures not associated with the immediate requirements of the situation in China.[33]

Despite Marshall's pervasive predominance in China policy matters in 1946, several comments on the factor of public opinion nonetheless are worthwhile. He did appear before a combined meeting of the Senate Foreign Relations Committee and the House Foreign Affairs Committee the month he was in Washington in early 1946. No formal record was kept of the appearance and it apparently amounted to little more than an informative briefing for interested members of Congress. Years later in another appearance before a congressional committee investigating various aspects of American Far Eastern policy, Marshall recalled that no one present in the earlier gathering had raised any question as to the manner of his handling the situation in China.[34] In this regard, though, it ought to be remembered that the members of the two committees in 1946 were dealing with a revered public official in the person of General Marshall and at a time when events in China appeared to be headed in the direction of a successful political settlement. There simply were no grounds for complaint or debate concerning the Administration's China policy under the circumstances.

By the Summer of 1946 and continuing through to the end of the Marshall mission, there was a general concern on the part of American officials both in China and in Washington about the possible effects which the publicized attitudes of certain segments of American opinion might have on the prospects for achieving a political settlement. For example, there was the problem of responding to Communist questions about criticism of the Chinese Communist Party reported in the American press. On more than one occasion, Marshall found himself explaining to Communist negotiators that the Administration had no control over attacks made on the Chinese Communists by private American citizens, further assuring them that the attacks did not reflect Administration thinking nor did it indicate any diminishing of the intent of American policy which was to help in the creation of a coalition government.[35]

By the Fall and Winter of 1946 the media campaigns of Henry Luce in Time, Life and Fortune magazines and Roy Howard in the Scripps-Howard newspaper chain, calling for full American support to Chiang Kai-shek to defeat communism in China and what effect this could have on last ditch American efforts to avert all-out civil war were of concern to policymakers. Marshall complained that Luce's viewpoints concerning the situation in China were rather "shallow" and that his argument that the United States should give unqualified support to Chiang's regime would have the consequence

only of encouraging those "reactionaries" in the Kuomintang who were opposed to a political settlement. It also would fortify the belief of Kuomintang militarists that pro-Chiang Kai-shek public opinion in the United States eventually would force the Administration into backing a Nationalist military effort to defeat the communists.[36]

To the extent this type of thinking did exist within the Kuomintang, it could not have been based on a more erroneous estimate of the Administration's impressions regarding the necessity of responding to the pressures of American public opinion on the issue of its China policy. By August, Administration officials were more worried about how they were going to be able to justify a policy of giving support to the Nationalist government in view of continuing internal strife in China. In fact, throughout the course of the Marshall mission, decision-makers clearly considered that their most important task with respect to public opinon was how to avoid provoking those domestic American pressures which might force the Administration to pull out of China altogether.[37]

Secretary of Navy James Forrestal, was "deeply apprehensive" that incidents involving American Marines in hostilities might result in "an aroused public opinion" at home which would compel the Administration to withdraw all United States forces. He was convinced that if this happened it would create a power vacuum in China which the

Soviets would be only too happy to fill.[38] It was a fear shared by other Administration officials, and, as noted earlier in the chapter, this was one of the major reasons for reducing the level of American forces in China as soon as circumstances permitted.

On numerous occasions General Marshall observed to Kuomintang leaders, including Chiang Kai-shek himself, that the continuing maladministration and corruption evidenced by the Nationalist government and the authoritarian and oppressive manner in which the Party reacted to its political opposition, including the use of assault and assassination, were hurting the Kuomintang cause in the eyes of the American people. He suggested that public attitudes in the United States were much more disturbed by the Kuomintang's "reactionary" tendencies than by any objection to communist ideology.[39]

By late 1946 Marshall worried that any media blitz by Henry Luce or Roy Howard designed to create public pressures to force the Administration to give greater support to Chiang's regime would have the opposite effect of what was intended. Marshall speculated that a pro-Chiang Kai-shek publicity campaign would prompt a like response from those who were either opposed to American involvement in China generally or specifically who were against the United States giving aid to the corrupt and undemocratic Chinese government. The resulting public debate, Marshall thought, would

simply air that much more unsavory information about the Kuomintang, further discrediting the regime, and in doing so only make it more difficult for the Administration to justify continuing a program of support to the legal government of China.[40]

By the Fall of 1946, the Adminstration was beginning to encounter what was to become its essential problem over the next several years with respect to domestic public opinion, namely, a growing divergence between what the public believed American China policy ought to be and what decision-makers thought policy had to be. Public attitudes concerning the question of the United States relationship to the situation in China already tended to gravitate toward two basic positions, one side arguing in favor of all-out American support to Chiang Kai-shek's regime and the other calling on the Administration to cut its ties with the Nationalist government, withdraw from China altogether and leave the Chinese to work out their own affairs. Both sides in the debate anticipated correctly that the Marshall mission would prove unable to avert full-scale civil war.

By late November and early December, Administration officials also shared this view though some continued to display, including Marshall himself, the hope that by some miracle civil war could still be avoided. In any case, there was no question but that the public's "either-or" suggestions on what kind of American policy should replace

that embodied in the Marshall mission did not accord with the Administration's intention to continue to give limited assistance to the Nationalist government.

There was some suggestion in the late Summer of 1946, chiefly from the Secretary of the Navy, that possibly the Administration ought to recognize that the Chinese were not going to be able to settle their differences peacefully, that Marshall ought to be recalled and that the time had come to decide on what sort of commitment to Chiang's regime the United States could afford to undertake. However, the prevailing opinion was to allow the Marshall mission to run its course through to a final failure before making any such decisions. Most officials believed a political solution so important that, no matter how slight the odds of pulling it off, the chance was well worth the taking.[41]

As fall approached winter though, the odds on reaching a negotiated settlement steadily deteriorated. The Communist delegation returned to Yenan in the latter part of November, the formal negotiations with the Kuomintang carried on since January at an end. General Marshall's request that the Communists indicate to him what their attitude would be about his continuing on in a mediatory role did not receive any response. By early December he assumed the Communists considered him persona non grata in the matter.[42] By late December Marshall was convinced the situation was beyond solution and on the 28th he communicated to President

Truman his desire that the American mediation effort be terminated and that he be recalled to Washington.[43] The almost steady fighting between Kuomintang and Chinese Communist forces since the spring had eliminated any grounds for one side trusting the capacity of the other for political moderation, even granting there had been some potential in this regard at the beginning of the Marshall mission.

Marshall's patience had run out. He thought the Communists had become victims of their own suspicion laden propaganda, actually believing that the United States and the Kuomintang all along had conspired to defeat the Chinese Communist Party, neither ever intending that the Communists be given an effective voice in a coalition government. Marshall affirmed that, since the Spring of 1946, the Communists had contributed their share of unreasonableness which, in combination with Kuomintang instransigence, had precluded any meaningful movement in negotiations leading toward a political settlement. Communist truculence, Marshall concluded by the end of his mission, was the work of Party "extremists" who were determined to use political and economic subversion and military force to destroy the Nationalist government, and who for sometime, he assumed, probably had been in full command of Party policy.[44]

However, Marshall was particularly frustrated with the Kuomintang leadership. He not only believed theirs was the greater responsiblity for the slide toward civil war but

that it had been chiefly within their power to do what was necessary in order to achieve a political settlement. Even more significantly, Marshall thought the Kuomintang, in an act of sheer stupidity, was fatally compromising its own future by refusing to find some grounds for political compromise with the Communists.

He believed the Kuomintang leadership for some time had dramatized an interest in his mediation efforts merely to disguise their actual intention which was to deal with the Communists by military means. Marshall thought that Chiang himself had become the prisoner of his long-term association with the Party's militarists, persuaded by their counsel that the Chinese Communist Party could be eliminated by force. He repeatedly told the Generalissimo and other Kuomintang representatives they were foolish to think this possible, that the effect of civil war would not be the defeat of the Communists but the collapse of the economy and the financial ruin of the government. Marshall pointed out that the government already was spending nearly three-quarters of its budget on military operations. Not only was this causing severe inflationary pressures, but, in doing so, rapidly eroding Nationalist financial credibility by draining the government's treasury at an alarming rate. In view of this, he was thoroughly disgusted with the refusal of Kuomintang leaders to understand the necessity of far-reaching reform; their apparently easy acceptance of the

military alternative over that of making a sincere effort to settle their differences with the Communists peacefully; and their almost cavalier disregard for the misery which the consequences of civil war would bring to the Chinese people.[45]

Yet the General could understand Kuomintang suspicions of the Communists, because he shared them. By the end of 1946 there was no question in his mind anymore but that the Chinese Communists would have no other motive in entering a coalition government than that of eventually displacing the Kuomintang altogether in favor of assuming absolute political control for themselves. However, Marshall was equally firm in his conviction that the Kuomintang had its best chance of survival, in fact of achieving its own political dominance, under the circumstances of peace, unity and stability, and of operating in context of a coalition government.

At the beginning of 1946, some Administration officials perhaps entertained a more idealistic vision of a coalition government, and the Chinese potential to achieve that ideal, than some others were willing to concede. Although the Administration did employ the term "democratic" to describe the projected character of a political coalition in China, it appears that a number American officials, certainly most of those in China, were under few illusions as

to the actual democratic propensities of either the Kuomintang or the Chinese Communist Party. Many undoubtedly understood the convenience and usefulness of the term, it being one of wide-ranging popularity but at the same time, of sufficient ambiguity, to be acceptable to all parties involved.

Assuming that an effective coalition government could be established, Marshall at first seems to have conceived it as a mechanism for balancing competing political interests, in short, a balance of power device and hopefully a long-lasting one.[46] However, as he and other American officials rather soon began to lose confidence in Kuomintang and Communist good faith and peaceful intentions and subsequent to the Administration's determination that the Soviet Union was involved in an expansionist foreign policy, the goal of creating a coalition government increasingly took on a somewhat different significance. At that point, it appears the earlier hope that a coalition government would serve to promote unity and stability in China, and, in doing so, create the foundation for working out a balance of Great Power interests in East Asia, began to be displaced by an assessment of the importance of a political coalition as the best means by which to preserve the non-communist position in China. By the summer months, Marshall not only warned Kuomintang leaders that a civil war would work to the disadvantage of their party but on the more positive side

suggested that they could expect substantially greater advantage in competing with the communists by agreeing with the latter to enter into a coalition government.

Any such advantage was, in Marshall's view, contingent on the prerequisite of organizational and political reform of the Kuomintang and the government and as well the association of Chiang's party with geniune social and economic reform. He and most American officials were rather pessimistic that Kuomintang leaders were capable spontaneously of understanding the intrinsic value of reform. However, Marshall believed Chiang and his advisers would be forced to acknowledge its necessity subsequent to the Kuomintang becoming a part of a coalition government. At that point, the identification of the Kuomintang with a forward-looking program or reform would be the only way in which the Party could hope to create the kind of public image that would begin to attract popular support away from the Communists.

Marshall argued that a reformed and reformist-oriented Kuomintang Party could be confident in its ability to do this, though only under circumstances of political stability, provided by the existence of a coalition government, and the concomitant of this condition, equilibrium in the social and economic realm. Marshall's attitude undoubtedly may be attributed in part to the somewhat common American notion that under normal and prosperous social and

economic conditions most peoples would prefer to have a non-communist form of government. And, subsequent to the formation of a coalition government, the Administration's plan to give financial and technical assistance so as to ensure for successful Chinese economic reconstruction and development, was tied to the idea that communism was an "unnatural" phenomenon which flourished mainly under the conditions of political instability and social and economic chaos.[47]

Whatever the validity of this concept, however, it would be a mistake to ignore Marshall's other reasons for counseling against the Kuomintang's pursuing a policy of force against the Chinese Communists. For one thing, he accurately and pragmatically observed that the Chinese economic and financial structure was in such deteriorated condition that it would not be able to survive the chaotic circumstances of civil war and the enormous costs of military operations. He told the Chinese that it would not be humanly possible to avert this result under prolonged conditions of civil conflict and, he advised, this was precisely what the Kuomintang could expect in fighting the Communists. The latter were too powerful, politically and militarily, to be defeated prior to the occurrence of economic collapse. There clearly was no way around the absolute necessity of creating peace and stability in China in order to stave off fatal economic disintegration.[48] Also, he was, in effect,

warning the Chinese, though he could not tell them this candidly for reasons of higher policy and national security, that the Administration would not be in a practical position to replace its policy of limited withdrawal, carried out over the course of the Marshall mission, with any more than a program of limited assistance. Marshall knew that, under the circumstances of civil war, limited American assistance meant a highly uncertain short-term future for Chiang's regime and over the long-run an almost certain defeat.

Marshall thought his series of arguments in favor of a peaceful solution to China's problems were so unquestionably correct, he found it incomprehensible that the Kuomintang leadership would opt to have it out with the Communists on the battlefield. He was quite dismayed with the Kuomintang's unwillingness to reform and considered its policy of force profoundly irresponsible, the work of an ignorant, venal and petty warlord mentality. Civil war, Marshall believed, would play right into the hands of the Chinese Communists who could not hope for any more favorable circumstances in which to realize their political ambition to achieve absolute control over China.[49]

Marshall's return to Washington in early January did not produce any new decisions on what to do about China. American officials simply were not sure what they would be able to do. It was essentially a question of precisely where between the extremes of avoiding both over commitment

and under commitment to Chiang's regime that the Administration eventually would decide was a proper resting place for its China policy. However, the question of "where" was contingent on the further problem of when the Administration would need to adjust its relationship to the Nationalist government and the latter determination could only be made in response to the implications of the course of events in China and with respect to the evolution of the broader requirements of American foreign policy. It appears officials were almost unanimous in their thinking that the Administration ought to adopt a "wait and see" attitude before making any important policy moves. This passive approach remained in effect until the Summer of 1947 when serious international developments forced the Administration to begin to contemplate the necessity of making alterations in its policy toward China. Why this happened and what the Administration determined it had to do is the subject of the next chapter.

[1]Reserving a "middle ground" for China policy is clearly revealed in a September 1946 conversation between an official of the British Embassy in Washington and the Director of the Office of Far Eastern Affairs, John Carter Vincent. Vincent observed that the U.S., "...had no intention of following either of two suggested courses; we had no intention of giving "all-out support" to the National Government in prosecuting a civil war and we had no intention of "washing our hands" of the China problem, explaining that our interest in the maintenance of peace and security in the Far East far transcended any feeling of disappointment we might have over a temporary setback in bringing peace and unity to China. In short, I said that we had every intention of staying with the problem in China and at the same time of staying out of China's civil war." Memorandum of Conversation by the Director of the Office of Far Eastern Affairs, 3 September 1946, F.R., 1946, X, 116.

[2]See, The Acting Secretary of State to the Embassy in China, 14 January 1946, ibid., 911-912; The Acting Secretary of State to The Embassy in China, 17 January 1946, ibid., 919; Note: The National Advisory Council on International Monetary and Financial Problems was created in the months after the war in 1945 and consisted of The Secretary of State, the Secretary of the Treasury, The Secretary of Commerce and the Chairmen of the Export-Import Bank and of the Federal Reserve System; The report by Edwin W. Locke, Jr., to President Truman in mid-December 1945 which advocated economic and financial aid to the Nationalist government was not made public for fear that it would embarrass Marshall's efforts to achieve a political settlement and reduce his bargaining leverage with Chiang's regime. Memorandum by the Secretary of State to the President, 3 January 1946, President's Secretary Files, Box 173, Truman Papers, HSTL.

[3]See, "Financial Relations Between the United States and China", F.R., 1946, 911-945; China White Paper, 145, 226; Melby, Mandate of Heaven, 98-99.

[4]John Leighton Stuart thought that Marshall made a tactical error in returning to Washington in March of 1946, that the prestige of his presence in China was needed in order to keep the extremists of both the KMT and the CCP in check. Stuart was not alone in this estimate. Apparently some in the American Embassy in China also thought his absence would encourage the militants of both parties to wreck all the work of the Political Consultative Conference over the previous two months. See, Stuart, John Leighton. Fifty Years in China (New York: Random House, 1954); See, also, Melby, Mandate in Heaven, 99. In an oral history interview in 1974, Philip D. Spouse, in 1946 the Second Secretary of the American Embassy in China, disagreed, and did not think that Marshall's return to Washington was a decisive factor in the breakdown of KMT-CCP negotiations and outbreak of civil war. Philip D. Spouse, Oral History Interview, 11 February 1974, pp. 44-45, HSTL.

[5]Melby, Mandate of Heaven,

[6]Ibid., 125-127; China White Paper, 158-174.

[7]Ibid., 204-208.

[8]Ibid., 227-229.

[9]See, "Preliminary Discussions Regarding the Negotiation of a Treaty of Friendship, Commerce and Navigation," F.R., 1946, X, 1227; "Negotiation of Civil Air Transpot Agreement", ibid., 1228-1260; "Technical Collaboration in Agricultural and Forestry", ibid., 1268-1295.

[10]China White Paper, 226-227; Truman, Years of Trial and Hope, 79.

[11]Memroandum by General Marshall to Colonel Marshall S. Carter, 30 November 1946, F.R., 1946, X, 1027.

[12]Minutes of Meeting Between General Marshall and Mr. Butterworth, 18 November, 1946, ibid., 1020.

[13]Having rejected the option of pulling out of China altogether if a political settlement could not be achieved, as well as the option of giving "all-out support" to the Nationalist government, a late August memorandum on American policy toward China prepared in the Embassy in China proposed that, "The alternative policy is conditional support of the National Government, using such support as a remaining lever to influence the Central Government toward some reasonable compromise in the overall political situation. In continuing a measure of support to the Government, it should be understood that the Generalissimo is the master in his own house and has practical control over the political situation in Kuomintang China. This being the case, and in view of his previous record and present position, there is no good reason to suppose pressure on him will cause him to undergo and fundamental change in his basic political philosophy and outlook. We must, therefore, take him as he is, but by our actions refrain from giving such support as will encourage him to think he can obtain a settlement of the Chinese problem by force. He must also be convinced that there are certain limits beyond which he cannot go and still continue to receive American assistance." Draft Policy Memorandum Prepared in the Embassy in China, 23 August 1946, ibid., 148; The Director of the Office of Far Eastern Affairs, John Carter Vincent, wrote in early October 1946 that, "...we cannot, just because of a breakdown in our mediatory effort, delay for long efforts to bring about an improvement in economic conditions in areas of China unaffected by civil war."; "...we should make it clear to the Chinese and to our own public that we mean to stay with the problem but stay out of involvement in the civil war." Memorandum by the Director of the Office of Far Eastern Affairs, 3 October 1946, ibid., 277.

[14]China White Paper, 140-143.

[15] Ibid., 338-340; General Marshall thought that deactivation of the China Theater Command, was, "...very important to my mission as demobilization and integration procedure of Chinese Armed Forces carries Executive Headquarters action into Manchuria." General Marshall to the Chief of Staff, 23 February 1946, F.R., 1946, X, 849.

[16]China White Paper, 340.

[17]See, Colonel Marshall S. Carter to General Marshall, 23 July 1946, F.R., 1946, X, 754.

[18]Ibid., 754; General Marshall to Colonel Marshall S. Carter, 22 July 1946, ibid., 753; General Marshall to Colonel Marshall S. Carter, 24 July 1946, ibid., 755.

[19]After the Spring of 1946 and in the presence of the assumptions that the U.S.S.R. would not cooperate with American efforts to bring about a peaceful settlement in China and that the Chinese Communists merely would use entry into a coalition government as the means by which ultimately to obtain exclusive power for themselves, the only way to understand Marshall's continuing efforts to achieve a political solution in China is to realize the importance of this manner of thinking on the part of American officials. For example, see, the early June 1946 State-War-Navy Coordinating Committee (SWNCC) report which included that, "It is felt that communism is in opposition to the basic Chinese way of life and that the present Communist party has won a following, not because of real devotion of the people to Communist doctrines emanating from Moscow, but rather because of the ability of Soviet-trained leaders to exploit popular opposition to the reactioary and oppressive one-party rule of the Kuomintang. For that reason, the United States should give every encouragement to middle-of-the-road groups,...and should continue its efforts to convince the National Government of the vital necessity for broadening its base of participation so that other political elements may secure adequate representation." Report by the State-Way-Navy Coordinating Subcommittee for the Far East, 1 June 1946, F.R., 1946, IX, 935; The Director of the Office of Far Eastern Affairs, John Carter Vincent, noted a mid-Augut 1946 exchange between himself and several officials of the Chinese Embassy in Washington in which the Chinese Ambassador observed that, "...the principal and long-range objective of dealing with the present situation in China should be the prevention of China's coming within the orbit of Russia." To this Vincent responded, that, "...our policy in endeavoring to promote the emergence of a strong, united, democratic China was obviously calculated to achieve the same objective.... I stressed the point that we had hoped these developments could be brought about under the leadership of Chiang Kai-shek and the National Government. I told him I did not share his fears that a coalition government would mean the end of the Kuomintang as the principal party

and political influence in China provided that party was alive to its own responsibilities." Memorandum of Conversation by the Director of the Office of Far Eastern Affairs, 13 August 1946, F.R., 1946, X, 24; A month later, again in a conversation with a member of the Chinese Embassy in Washington, Vincent made the point succinctly: "I expressed the view that a reduction in the influence of the Communists might be more readily achieved if the Government "took them in" (in more senses than one) on a minority basis rather than try to short them all. I felt, and I was sure General Marshall felt, that a National Government moving ahead with American support in the job of rehabilitation and reconstruction would have a better chance to cut the ground out from under the Communists, even though they were in the Government, than it would have of doing so by keeping them out of the Government and endeavoring to eliminate them by force." Vincent concluded by saying, that, "If the Party (i.e., the Kuomintang) showed as much zeal for bringing good government to China as it was showing for eliminating opposition there would be no question but that it could "out compete" the Communists in gaining support of the Chinese people who did not favor Communism but simply wanted some evidence of government 'for the people.'" Memorandum of Conversation by the Director of the Office of Far Eastern Affairs, 9 September 1946, ibid., 164-165; See, also, Truman, Years of Trial and Hope, 91.

[20]The Office of Strategic Services observed as early as September 1945 that the Soviet pledge of non-interference in China's internal affairs in the Sino-Soviet Treaty of the previous month would allow the, "...Communists...(to more effectively)...charge that the Kuomintang is propped up by U.S. influence and to exploit an 'anti-imperialistic', 'China-for-the-Chinese' theme." Office of Strategic Services, Research and Analysis Branch, "Implications of the Sino-Soviet Agreements for the Internal Politics of China", 7 September 1945, R & A Report No. 3248, p. 1, II/23, UPA; A State Department intelligence report of mid-December 1945 observed that in the event of civil war, the Chinese Communists would possess the distinct political advantage of being able to "appeal to the nascent anti-foreign and anti-interventionist sentiment of the Chinese people as a whole." State Department, Interim Research and Intelligence Service, Research and Analysis Branch, "Politico-Military Situation in China", 11 December 1945, R & A Report No. 3461, p. 12, II/28, UPA.

[21]The importance of protecting the American image from the criticism of being an "imperialistic" power is both implicitly and explicitly revealed in the available documentary evidence. See, for example, the Charge of the Embassy in Moscow, George F. Kennan, who warned that the Soviets could be expected to stress the differences between themselves and the "capitalist" world on the issues of "imperialism and colonies." See, The Charge in the Soviet Union to the Secretary of State, 29 January 1946, F.R., 1946, VI, 684-685; The Charge in the Soviet Union to the Secretary of State, 22 February 1946, ibid., 702,

705; See, General Marshall's belief in the Summer of 1946 of the importance of eliminating a certain provision in the proposed military advisory agreement between the U.S. and the Chinese government, because, as he put it, "...I am more concerned in (the) anti-American reaction should the article, either included in the contract or in a separate agreement, become widely known." General Marshall to Colonel Marshall S. Carter, 26 July 1946, F.R., 1946, X, 840; See, also, the concern of the Director of the Office of Far Eastern Affairs, John Carter Vincent, in early November 1946, that remaining American troop levels in North China be further reduced so as to eliminate the basis for criticism of the U.S. for unwarranted interference in China's internal affairs -- criticism from the Soviets in the U.N., from the Chinese themselves and from the American public. Memorandum by the Director of the Office of Far Eastern Affairs to the Under Secretary of State, 5 November 1946, ibid., 880-881.

[22]See, the Embassy's view in the late Summer of 1946 that it was going to have to be made perfectly clear to Chiang that there were definite limits on the extent to which the U.S. would be able to go in supporting his regime under the circumstances of civil war and so long as there was no change in his basic political philosophy and outlook. Draft Policy Memorandum Prepared in the Embassy in China, 23 August 1946, ibid., 148; See, also, General Marshall's observation in the latter part of November 1946, that, "...perhaps the time was propitious to tell the Generalissimo that the United States could not consider favorably a government dominated by his association with the military and CC reactionary cliques, that the United States could not align itself with a reactionary government." Minutes of Meeting Between General Marshall and Mr. Butterworth, 21 November 1946, ibid., 555.

[23]See, Report by the Joint Chiefs of Staff, 22 October 1945, F.R., 1945, VII, 590-598.

[24]Memorandum by the Secretary of State to the State Department Member on the State-War-Navy Coordinating Committee, 5 January 1946, F.R., 1946, X, 810-811. (In this memorandum, Secretary of State Byrnes argued that, "The present plan might be construed as a projection of U.S. military power onto the Asiatic continent rather than as simply aid to China in modernizing its Army.")

[25]Lieutenant General Albert C. Wedemeyer to the Chief of Staff, 21 January 1946, ibid., 811-816. This memo included General Marshall's concurrence with the Secretary of State's views and assumptions about too large a military advisory group being sent to China, i.e., Marshall saw the negative political implications of a large-scale American military presence in China (Ibid., 815). Wedemeyer, though, appears to have agreed with the need to reduce the proposed size of the group because the U.S. did not have sufficient military personnel to assign to operational levels. China and the Nationalist army was simply too

large (Ibid., 812). Wedemeyer, however, appears to have been considerably less concerned about the political questions involved in making a larger U.S. military commitment in China. He noted he was, "...not completely in accord with the Secretary of State's statement that the size and function of the Military Advisory Group could be construed as a projection of the U.S. military power onto the Asiatic continent. Even if so construed, I do not feel that our country would be criticized in the premises." Wedemeyer went on to argue that both the Soviets and the British understood the American relationship to the Chiang regime and would raise no objection to a larger U.S. military mission to China. (Ibid., 815).

[26]Directive to the Secretaries of State, War and the Navy, 25 February 1946, ibid., 823.

[27]This series of political considerations concerning the size of the military advisory group is, in part, implied by the Director of the Office of Far Eastern Affair's interesting and revealing comment, that, "I consider it vitally important...that the control over the size of the Group remains in the hands of the President, not only because of the bearing on our international relations but also because of possible Congressional interest and inquiry in regard to the size and activities of the Group." Memorandum by the Director of the Office of Far Eastern Affairs to the Secretary of State, 19 February 1946, ibid., 822.

[28]See, China White Paper, 355-356.

[29]The Acting Secretary of State to the Administrator of the War Assets Administration, 6 August 1946, F.R., 1946, X, 756; The Acting Secretary of State to The Administrator of the War Assets Administration, 20 August 1946, ibid., 756.

[30]This is a question which, in some respects, the remainder of the chapter will attempt to clarify at greater length. The point here is simply this, namely, that no policy decision in 1946 concerning China, and especially in the case of such an important one as instituting an arms embargo against the Nationalist government, can be understood except with reference to the whole complex of considerations bearing on the problem of how the Administration was going to be able to maintain a manageable presence in China with respect to the full range of American foreign policy requirements in the event of a civil war. When officials talked in terms of placing an embargo on arms shipments to the Nationalist government as being in the "best interests" of the nation, the use of such language can be understood only in this light. One major purpose of achieving a political settlement, in other words, was to avoid the spectacle of the United States backing a "reactionary" regime like Chiang's in a civil war.

[31]Several years after his service as Secretary of State, Dean Acheson recalled the period of the Marshall mission (in 1946 Acheson, then an Under Secretary of State, had the, "...task...(of keeping)... Marshall serviced in China -- to see that what he wanted was carried out -- to keep the President informed...") and the fact that Marshall, "...was in complete command. The President was backing him up." Notes on China, 22 July 1953, Princeton Seminars, Acheson Papers, HSTL.

[32]See, Ibid.

[33]Acheson noted in referring to Marshall's mediation effort, that, "The very nature of this assignment...required independent initiative and often direct Presidential assistance." 2 July 1953, ibid.

[34]See, Senate Committees on Foreign Relations and Armed Services, Joint Hearings on the Military Situation in the Far East, 82nd Cong., 1st Sess. (1951), 569-570.

[35]Truman, Years of Trial and Hope, 81; Varg, Closing of the Door, 267.

[36]Ibid., 277-278; See, Minutes of Meeting Between General Marshall and Dr. Stuart, 9 December 1946, F.R., 1946, X, 600.

[37]There are a number of documents which may be cited in support of the contention that officials constantly worried in 1946 about domestic critical reaction to China policy. See, for example, Colonel Marshall S. Carter to General Marshall, 9 November 1946, ibid., 766; The Acting Secretary of State to the Ambassador in China, 19 September 1946, ibid., 845; Memorandum by the Director of the Office of Far Eastern Affairs to the Under Secretary of State, F.R., 1946, IX, 1420; Minutes of Interview Between Generalissimo Chiang Kai-shek and General Marshall, 8 August 1946, ibid., 1469.

[38]The Secretary of the Navy to General Marshall, 29 August 1946, F.R., 1946, X, 872-873; Millis, Forrestal Diaries, 190.

[39]General Marshall to President Truman, 30 July 1946, F.R., 1946, IX, 1420.

[40]Minutes of Meeting Between General Marshall and Dr. Peng Hsueh-pei, 20 December 1946, F.R., 1946, X, 645.

[41]Millis, Forrestal Diaries, 191.

[42]General Marshall to President Truman, 28 Decmeber 1946, F.R., 1946, X, 663.

[43]Ibid., 664.

[44]See, Personal Statement by The Special Representative of the President, 7 January 1947, in, China White Paper, 686-689; Truman, Years of Trial and Hope, 82.

[45]See, Melby, Mandate of Heaven, 167-168; General Marshall to Marshall S. Carter, 5 August 1946, F.R., 1946, IX, 1449; Memorandum by the Director of the Office of Far Eastern Affairs to the Secretary of State, 3 October 1946, F.R., 1946, X, 276; Minutes of Meeting Between General Marshall and Mr. Butterworth, 21 November 1946, ibid., 554-555; Notes on Meeting Between General Marshall and General Yeh Chieh-ying, 26 November 1946, ibid., 565; The Ambassador in China to the Secretary of State, 2 December 1946, ibid., 580; General Marshall to President Truman, 28 December 1946, ibid., 662; Minutes of Meeting Between General Marshall and Dr. T. V. Soong, 7 January 1947, ibid., 690.

[46]In a 1954 memorandum concerning his mission which General Marshall wrote at the special request of former President Truman, he (Marshall) recalled that through the early part of 1946, "I was making a strong effort to bring all the small political parties together. These usually represented a rather small number in grand totals, but included a large number of well-informed men. My thought was that, if they could be united under one leader, they would constitute a balance wheel between the Communists and the Nationalists so that, if either broke an agreement, it would find this center group aligned against them. This would not have been too difficult of accomplishment had it not been for the fact that both sides, Nationalist and Communist, endeavored to break down any such grouping by tempting leaders away by choice appointments or otherwise. This continued until the end of my stay in China, but it became quite evident in the Fall that these parties had been broken down to such an extent that I could not hope to make a union among them and, without that, there was little hope of getting any organized setup in China that would lead to an enduring peaceful development." Memorandum by General George C. Marshall to Harry S. Truman, 18 May 1954, President's Secretary Fies, Box 74, Truman Papers, HSTL.

[47]See, the series of comments and citations, supra, fn 19.

[48]Notes on Meeting Between General Marshall and Generalissimo Chiang Kai-shek, 1 December 1946, F.R., 1946, X, 576-577.

[49]It is of considerable interest to note that, just before Marshall was to leave China to assume his new responsibility as Secretary of State in early 1947, Marshall and the American Ambassador, John Leighton Stuart, decided secretly on a plan to discredit the hard-line faction in the Kuomintang which both blamed for the policy of force being followed against the Communists. The essence of the plan was

this: Marshall sought to have the public announcement of his appointment as Secretary delayed for a short period. In the meantime he would publicly criticize this hard-line group in the Kuomintang which Marshall calculated, "...would provoke heavy attacks on me by this particular group of men, who seeing me leave the Government service would feel perfectly free to direct their attacks at me without reservation." Then, so the plan continued, the announcement of Marshall's appointment as Secretary would be made. In this way, the hard-liners would, "loose face" and hopefully be replaced within the Kuomintang party hierarchy by others not so militantly committed to a policy of force. Alas, as Marshall reports, his appointment leaked prematurely and the "plot" to discredit the hard-liners was foiled. Memorandum on China by General George C. Marshall to Harry S. Truman, 18 May 1954, President's Secretary Files, Box 74, Truman Papers, HSTL.

CHAPTER VI

THE CHINA AID BILL OF 1948: IMPLEMENTING THE POLICY OF LIMITED ASSISTANCE

After the failure of the Marshall Mission, the key China policy question that emerged in 1947 was; when and how to give aid that would best enhance the prospects for the Nationalist government but not diminish the Administration's capacity to respond effectively to the full range of its foreign policy responsibilities? This remained the central issue in the Administration's China policy right up to the time of the Korean War, despite some variation of opinion among officials on how precisely both Chinese and American interests could be simultaneously, and yet effectively, served.

Decisions on the question of aid to China were made almost entirely in context of intragovernmental and interagency discussions concerning broad strategic and tactical foreign policy problems. With only slight exception, these decisions were made without regard to and despite the efforts by certain segments of the American public to pressure the Administration to develop policies toward China contrary to what officials thought were required. The Truman administration never seriously considered the possibility of entirely cutting off aid to

Chiang Kai-shek's regime. Officials were never able to refute the importance of maintaining a program of limited assistance to the Nationalist government throughout the course of the Chinese civil war. Decision-makers remained convinced in the pre-Korean War period that the national interest required the continuation of American aid.

Nonetheless, considerable debate has developed over the years concerning the question of what public opinion factors were compelling in the Truman administration's formulation of policy toward the Chinese civil war in 1947 and early 1948. Of particular controversy has been the issue of what impact American public opinion had on the pattern of official thinking which, beginning in the Fall of 1947, eventually produced the China Aid Bill proposal to Congress in the early part of 1948.

One side of this debate may be dismissed beyond a few brief comments. This view claims that in the absence of public and Congressional opinion favorable to Chiang Kai-shek, very little and possibly no aid at all would have been forthcoming because of State Department sympathy with the Chinese Communist cause. As noted in an earlier chapter, this interpretation is is advanced without corroborating documentary evidence.[1]

A more responsible variation of this argument generally perceives that the pressures of public and Congressional opinion forced the Truman administration in 1947

and in early 1948 to extend economic and military support to the Nationalist regime in China. Some go so far as to suggest that the Administration, based on its own better judgment of the situation, would never have given support to the degree it did, had it been able at the time to avoid the influence of public pressure.[2]

There are several fundamental and interrelated assumptions upon which this interpretation is based. First is the contention that the Truman administration had long viewed the Nationalist government as corrupt and inefficient, administratively and militarily incompetent, and very likely to be defeated by a more effective Chinese Communist organization. Actually there is little to disagree with in this assumption though differences of official opinion in this regard are worth noting. For example, there was differing speculation on how long the Nationalist government could hold out, though in 1947 it was not generally believed defeat was imminent. Some assessments were more optimistic that American aid if given and administered properly might reverse the declining fortunes of the government in China. Some felt that only direct American supervision of aid would accomplish any positive good. Still others thought that aid, if combined with extensive internal reform of the Kuomintang party and the Nationalist government, might allow Chiang to stabilize his situation somewhat, perhaps even permanently in central and south China. Most officials,

however, were inclined to believe Chiang unwilling or unable to carry through the necessary program of reform, assuming, as a result, that the Kuomintang ultimately had little or no chance of competing successfully with the vital and energetic Chinese Communist organization. Officials at the top were inclined to believe the situation was nearly hopeless in the long run.

Be that as it may, there is a second and related assumption in this interpretation of Truman administration China policy, namely, that because the Administration believed the Nationalist situation nearly hopeless it was, by the Fall of 1947, casting about for ways in which to cut all American ties with the Chiang regime.

In view of the fact that in 1948 assistance to China was eventually forthcoming in the form of the China Aid Bill, the logic of these first two assumptions raised an inevitable question. If the Administration's view of Nationalist prospects was so pessimistic how could it, as a matter of fiscal - even ethical - responsibility, be justified in giving substantial sums of aid to a government doomed to defeat through its own ineptitude?

The logical, or possibly convenient, answer for this interpretation of China policy, and here is a third assumption, appeared to lie in the realm of public opinion and Congressional pressure. A substantial segment of public opinion since the war tended generally to be sympathetic

toward Chiang Kai-shek. Chiang received praise as a loyal American ally who had waged an admirable defense against Japanese aggression during World War II. And by 1947, a sympathetic American press which commended him as a courageous defender of democratic, even Christian, values against Soviet inspired communist aggression in China began to find ever larger public audiences in view of rising anti-communist and anti-Soviet sentiment in the United States. In addition, the Administration's rhetoric of containment and the implications of the Truman Doctrine indirectly tended to encourage this favorable image of Chiang by suggesting as it did that anyone, anywhere, who was fighting communism was engaged in a righteous enterprise.

On the basis of this pro-Chiang constituency in the United States there emerged in both houses of Congress a loosely knit group known as the "China bloc", the members of which, by late 1947 were desperate to find some means to involve the United States in a more extensive program of support for the Nationalist government. Their chance came in November when they threatened to impede the legislative process on the Administration's request for interim aid to Europe unless Chiang's regime also received further support. Fearful that delay in getting the European aid program through Congress might prove disasterous to an already critical situation in Europe, the Truman administration, against its better judgment and policy preferences, bowed to China bloc pressures.

So as to obtain China bloc support, for Interim Aid to Europe, Secretary of State George C. Marshall, the interpretation runs, tenatively suggested to Congress in November of 1947 that a sum of $300,000,000 in aid might be made available essentially for the purpose of helping to stabilize the declining economic fortunes of the Nationalist government in China. Then, for additional insurance, in February of 1948, the Secretary substantially exceeded his earlier suggestion by sending to Congress a $570,000,000 proposal for aid to China in connection with the more general European Recovery Program. Ultimately Congress allocated only $400,000,000 in a modified aid bill to China but still the Truman administration found itself tied indefinitely to a situation from which it greatly would have preferred to be dissociated.

This, then, in its broad outline is the thrust of the argument that sees American sympathy for Chiang Kai-shek in general and the China bloc in particular as having a significant effect on the very nature of Truman administration China policy. In some respects this view is correct. First, there is no doubt that Administration officials thought the situation in Europe to be extremely critical by the Fall of 1947. It was, in connection with the problem of containing Soviet power and influence, unavoidably the key foreign policy concern.[3] It seemed clear to American decision-makers that if left to themselves Europeans would

not be able to manage the enormous task of rebuilding economy and society so devastated by the recent war. Insufficient economic recovery, psychological exhaustion, social dislocation, as well as growing political instability simply could not be overcome without American moral and material aid.

The Administration feared that if these problems continued without quick relief, Europeans could be expected to turn increasingly to some more radical means of solution. The communist parties of Europe would be the immediate beneficiaries of this trend. Even more unsettling for Washington, however, was the Administration's belief that West European communists were properly obedient to instructions, from Moscow. Communist assumption of power in the West invariably would lead to a Soviet oriented, or even dominated, Europe. Moreover, the communist led insurrection in Greece might become more than a localized problem unless critical conditions in the rest of Europe received some relief. If any of this happened, it would produce a situation quite as dangerous to vital American security interests as had the spectre of a Nazi dominated Europe in 1941.

It was an emergency situation which required an emergency response. In order to avoid unnecessary delay it was important that the legislative process on the issue of European aid be expedited to the fullest extent possible. It may be conceded, therefore, that the Administration hoped

the China aid proposal would mollify the China bloc and thus have the effect of ensuring expeditious action in Congress.

Still, this implies that the Truman Administration believed a China aid program was necessary because of what the China bloc could do if China aid proposals were not forthcoming. This seems little more than an elaboration on the argument that, all things being equal, the Administration would have preferred to have disassociated itself from the Chiang regime but was deterred from doing so because of China bloc pressures and the exigencies of getting a European aid bill through Congress.

While it may be conceded that China bloc pressures in 1947 and 1948 were a legislative nuisance, the view which sees this as the source of the Administration's China policy, and specifically the China Aid Bill, ignores completely another whole level of analysis. By 1947 the Administration's calculations concerning policy in the case of China were being made increasingly in context of systematic foreign policy planning procedures based on a perceived need to correlate strategic priorities with respect to the problem of allocating properly and efficiently the nation's resources.

Specifically, the view which sees domestic public opinion as decisive in forcing the Administration, despite its reticence, to continue its material support of the Nationalist government, fails to understand the relative

importance in the global scheme of strategic planning which decision-makers continued to impute to the East Asian mainland after the failure of the Marshall Mission. In fact as the Administration became increasingly alarmed about deteriorating economic and political circumstances in Europe in 1947 and as American fears of Soviet aggression began to mount, the relative strategic importance of China actually began to increase in the views of policy-makers. Officials believed that what happened in China in 1947 and 1948 might have a significant, even decisive, effect on the opportunity for achieving a successful outcome of American policy in Europe. And, officials thought that events in China could have important consequences for Administration efforts to achieve a strategic balance with the Soviet Union. As the Assistant Chief of the State Department's Division of Chinese Affairs, Philip D. Sprouse, noted while on special assignment in China in the Summer of 1947,

> Externally, the Chinese Communist problem is highly complicated by the international aspects thereof -- that is, the problem of communism and the Soviet connection with the Chinese Communists. Were these factors not present, the proper course of the U.S. would be to withdraw completely from China and allow the Chinese people to settle their own problems. However, faced with the apparent aims of the USSR...the U.S. cannot view with indifference the spread of Soviet influence in this area....[4]

Because Administration officials in 1947 never viewed complete dissolution of the American relationship to the Nationalist government as a feasible policy alternative,

invariably the essential questions were: what sort of aid would best serve to promote the successful realization of American foreign policy priorities and when would tactical necessity require it?[5] What complicates the interpretive process is that the Truman administration failed to resolve this question of when and how to give aid to China prior to the Fall of 1947. Consequently, it became caught up in Congressional debate over the larger legislative issue of aid to Europe. Thus it appeared to some observers that the legislative problem of getting a European aid program through Congress eventually produced the China Aid Bill in the Spring of 1948.

This simply does not appear to be the important fact of the matter. The Truman administration already was prepared to give more aid to Chiang but at a time of its own choosing and in relation to the immediate necessities of the full range of foreign policy priorities. This was true quite apart from the pro-Chiang sentiments prominent in American public opinion and from threats to European aid by the China bloc.

A key point must be understood. American officials did not anticipate that China aid would invariably save the Nationalist government. Rather, aid might help Chiang Kai-shek to stabilize the situation for the time being.[6] The Administration believed his regime would quickly collapse in the absence of American aid. Otherwise, he

might be able to hang on for some indefinite period: at least long enough, for the European Aid Program to take proper effect; to put Europe well on the track back to recovery. It is to be stressed, then, that officials never conceived the aid proposal of half a billon dollars as having significance for China alone. It was never considered in isolation of other foreign policy problems. Thus Administration officials viewed the significance of the China Aid Bill not only as an important extension of the European Recovery Plan but a necessary tactical maneuver in the effort to obstruct the expansion of Soviet power and influence.[7]

The whole of Administration policy reflected multiple considerations. For one thing, the Administration sought to play a rather delicate balancing act with regard to the perceived machinations of the Kremlin. In one respect, the level of aid had to appear to the Soviets as though American officials continued to take a keen interest in the maintenance of the Nationalist government, though, it is to be added, not in a manner dramatically at variance with the nature of the American commitment since 1945.

The sense of the need to sustain the image of continuing American interest in the fortunes of Chiang's regime rested on certain Administration assessments of Soviet foreign policy. Officials believed that in relation

to the extent, and the consequences, of the American involvement in China since the end of the Second World War, the Soviets had been satisfied, as a matter of their own advantage to maintain a low profile in East Asia and in China in particular. True, the Soviets were giving a good deal of moral support to the Chinese communists and undoubtedly considerable military advice as well. But, at the same time, intelligence reports conceded that the Soviets were contributing very little in the way of material or logistical support.[8]

Generally, officials thought the Soviets were playing a waiting game to see what opportunities might develop out of the civil war in China. The Soviets had little to lose and everything to gain by playing all sides of the situation, waiting patiently for their best opportunity to extend Russian power and influence.

Washington believed that multiple factors determined this low Soviet profile. For one thing, although the Administration felt the Soviets never lived up to the stipulations of the Sino-Soviet Treaty of August 1945, officials also believed the Kremlin had been careful not to appear too callous in this regard. Perhaps, Stalin, for propaganda purposes, wanted to avoid at this particular time the stigma of having a reputation for blatantly breaking treaty arrangements. In a view which saw little good in Soviet maneuvers, Stalin, the most pragmatic of power brokers, was likely just

preserving his options. If the Nationalist government should by some miracle emerge victorious, or stabilize itself in central or south China, then Stalin would be in a better position to make a bid for influence with that government by claiming he never violated the letter of the Sino-Soviet Treaty. This, in addition to an unobtrusive Soviet relationship to the civil war, would serve to further enhance the Kremlin's opportunities by not arousing intense Chinese hostility to imperialistic meddling in China's internal affairs.

The Soviets could rest comfortably in other respects as well. In the event of a divided China with the Nationalists in the south, the Soviets could still expect to exercise predominant influence over the Chinese Communists in the north. Despite the absence of Kremlin aid, where else could the Chinese Communists turn for post civil war aid but to the Soviet Union? Besides, if some form of political settlement were reached between the Nationalists and the Communists and a coalition government established, the Soviets could still expect to exercise extensive influence in China's affairs. And, since the Kuomintang leadership continued its refusal to recognize the imperative need to eliminate Party corruption in order to retrieve popular support, it was only a matter of time before the Communists would come to dominate a coalition anyway.

Because the trend of events in China appeared to favor the Soviet advantage in the long run, in spite of the American commitment to Chiang's regime, it also appeared to Administration officials by 1948 that the Kremlin could be expected to avoid any policy maneuver in East Asia which ran the risk of provoking a direct and costly confrontation with the United States. Stalin's sensibilities were such that he would never dream of compromising the value of a gift by paying for it.[9]

But in the American view, if conditions in China changed dramatically, there might also occur a commensurate shift in the Soviet approach to China. If it appeared, for example, that, in giving aid to China, the American government was substantially "upping the ante", this might tempt the Soviets also to raise the stakes by granting overt material assistance to the Chinese Communists, to include the possibility of direct Russian military intervention.[10] Such a development surely would prompt the Soviets to apply greater pressure at other points in Asia so as to dissipate the effect of the American escalation in China. The result would be crises throughout Asia. If this happened, the Administration would be forced into making fundamental and far reaching decisions concerning the nature of the American commitment in Asia, which at this particular time, in view of the emergency need to expend limited American resources in Western Europe, it was quite unprepared to do and wanted to avoid if at all possible.

Aid to China in 1947 and 1948 had to serve the purpose of helping Chiang to stabilize his situation long enough to allow some measure of success in the Administration's European policy. At the same time and for the same purpose, China aid had to be of a nature so as to reenforce the Soviets' complacent confidence that time and a low profile in China would work to their advantage. If this tactic succeeded China would be neutralized as a catalyst for spreading crises in East and Southeast Asia, thus eliminating for the time being the possible emergence of a major, even disastrous, distraction from tending to more critical problems in the West.

Conversely, an Administration decision not to extend aid to Chiang, to drop him in mid-stream, would have an equally negative effect on United States interests. Officials believed that no American aid might prompt the Nationalists to request Soviet mediation of their civil conflict with the Chinese Communists. The further assumption was that the Soviets would agree to do so only on terms which eventually resulted in a communist takeover in China, in effect which would allow for extensive Soviet influence in Chinese affairs.[11] If the Kuomintang chose to fight, on the other hand, or if the Soviets refused to mediate, Administration officials assumed the Nationalist government would not last very long. If the Administration wrote Chiang off completely, and the civil war contined, it would be open

invitation to the Soviets actively to increase their support of the Chinese Communists. If the Communists were sure to win in the absence of American aid to the Nationalists, there would no longer be any need for the Soviets to play their waiting game. Withdrawal from China would be a simple confession that the Soviets could do there as they pleased without fear of an American reaction.

As outlined in the preceding chapter, American officials projected that a Nationalist collapse in China would produce a variety of further unwanted consequences. The precipitous fall of China would demoralize non-communist factions in Korea south of the demilitarized zone. Communist victory in China would enhance the prestige and prospects of the Japanese Communist Party and with possible adverse effects on the American position in Japan. The fall of China could have serious consequences for the French effort to deal with the Viet-minh-led insurgency in Indo-China as well as make it all the more difficult for the British to continue to maintain their position in Singapore and to resist communist guerrillas in Malaya. Even in the absence of a communist victory in China, Administration officials wondered about the capacity of West Europeans to hold on in Southeast Asia and feared that any additional pressures might force the latter to withdraw from the region altogether. Not only would this eliminate the preferred influences of Western civilization but would leave the area

open to convenient communist penetration. Thus, policy-makers foresaw that the whole southern rim of Asia and then the Near East would be exposed to further communist provocations. Few questioned the compelling decision-making conception of the dynamics of international communism, namely, that one success merely would encourage the communists to intensify their efforts to achieve another, and so on, in a simple and unabated chain of triumph and aggression.[12]

In a related vien, Administration officials believed that a loss of the Southeast Asian colonies to communist-sponsored independence movements, would not only reduce further the West European morale and will to rebuild their war-torn societies but would enhance the prestige of the communist movement in Europe as well. It would eliminate the raw resources and markets of Southeast Asia which Europeans themselves viewed as vital to the process of reconstruction.[13] American policy-makers also assumed that the potential for Japan's post-war economic development would be substantially reduced in the event that country's access to the material benefits of Southeast Asia were to be denied.[14]

So, just as in the case of an escalation of the American presence in China, a United States withdrawal would have the effect of creating a volatile, unstable and highly uncertain situation in Asia. Even if this development did

not lead to a direct Soviet American confrontation precipitating a more general war between the two, and officials feared this might be the case, the Administration would be faced with the same undesirable scenario in Asia: besides Europe a second critical front of competition with international communism requiring immediate and hard decisions concerning the extent of American commitments and use of available limited resources. In sum, though it may appear to be a paradox, officials believed some degree of support to the Nationalists was necessary in order to prevent a deteriorating situation in China from provoking an even greater potential strain on the Administration's capacity to deploy limited available resources in support of other foreign policy objectives.[15]

There was another very important reason for continuing some form of support to the Nationalist government. A decision to withhold aid to Chiang and his regime would leave the Administration open to varied criticism. It would appear to many that the United States was capitulating, turning tail, to communism in China. The Administration could be charged with callously casting to his fate a loyal wartime ally and courageous opponent of communism just at a time when the going was beginning to get tough. All such criticisms would undoubtedly raise the more general question concerning the essential strength of character, the moral fiber, of the Truman administration. Even more ominously,

the depth of the Administration's commitment to stand firm in the face of communist aggressions and provocations could be seriously questioned.

The Truman administration wanted to avoid dealing with just such a series of questions. Granted, the domestic political calculation in 1948 could not ignore the implications of such criticism for the upcoming presidential election. However, there were larger and far more important considerations which derived from the fact that by the Summer and Fall of 1947, policy-makers saw the critical situation in Europe as more than anything else a problem of psychological dimensions. European recovery entailed not merely the objective task of rebuilding society and economy but as well the problem of regenerating cultural self-confidence and reconstituting shattered morale. Official conceptualization of the European Recovery Plan (ERP) included not only the intent to help rebuild Europe's cities and factories but also to aid in the resuscitation of her self-esteem. Psychological recovery went hand and hand with physical recovery. Effectiveness of the ERP in one area had to be joined by success in another. Some years later, George Kennan wrote,

> It was hard to overestimate, in those days of uncertainty and economic difficulty, the cumulative effects of sensational political developments. People were influenced...not just by their desires as to what <u>should</u> happen but by their estimates of what <u>would</u> happen. People in Western Europe did not, by and large, want Communist control. But this did not mean they would not trim their sails

and even abet its coming if they gained the impression that it was inevitable.

Kennan went on,

> It had been primarily the shadows, rather than the substance, of danger which we, in contemplating the European recovery program, had been concerned to dispel.[16]

The physical task of rebuilding was a comparatively straight-forward one. Direct aid, loans, credits, logistical support, effective administration, etc., these were the elements of recovery in the objective realm. However, the psychological task of helping in the process of reassembling European societal morale and self-respect, was a more complicated and delicate matter.

Ultimately it would be solved by granting American aid. The general level of European confidence could be reestablished by changing - rebuilding - the environment. But it would take time to gear up the Administration's program of material assistance and more time for it to take proper effect. Meanwhile, an American capacity to help rekindle a European faith in the future would have to depend on substantially less tangible factors. The image or appearance of the Administration's commitment to European recovery, in other words, was for the time being far more important than the actual material substance of that commitment. The long range goal of the material reconstruction of European society would be seriously jeopardized if the short range goal of spiritual reconstruction could not be achieved successfully.[17]

It was important enough to pass the European Recovery Program through Congress to establish a specific and concrete program to which Europeans could relate and derive a sense of security and optimism. But it was important also how the ERP was passed. It was important that the legislative process of the ERP not seem to suggest divisiveness. It was important that the Administration itself project the image of firm commitment to its policy of European reconstruction. Thus, it was necessary to minimize grounds for questioning either the strength of the Administration's commitment to European recovery or its capacity to stand firm in the face of communist provocations.

If these criticisms of the Administration began to inundate the American political scene, Europeans might draw the wrong conclusions. Misapprehension on the part of non-communist Europeans might lead them to consider: if the Truman administration was prepared to cut its losses for purely expedient reasons in China, might it not also be inclined to do the same if it should appear necessary in the case of Europe? If non-communists accepted this rationale as compelling, it might turn them in the direction of making some political arrangement with the communists. The result would be a rise in communist prestige, and, axiomatically, in Administration thinking, increased opportunity for a further penetration of Soviet influence. And there was equal if not greater danger that both European communists

and Soviets would view the criticisms of the Administration as an accurate reflection of American irresolve and hence a proper cue to more aggressive action in the West. In any of these events, the prospect of success for the Administration's European policy could be seriously diminished.

So, it was with regard both to the necessity of insuring unity of resolve in the ERP legislative process and of creating the appearance of unequivocal Administration commitment to European recovery that the question of aid to China took on significant proportions in 1947 and early 1948. Officials hoped that the China aid proposal would quiet divisiveness and project the image of unity in Congress. It reflected the Administration's desire to foster the idea that its commitments to friends and allies could be trusted in time of dire need, or, at least to avoid the appearance of being a regime prone to allowing its commitments to collapse in the face of difficult circumstances. Success in this regard, not only would enhance the morale and confidence of West Europeans but as well reduce the potential for a successful communist subversion of European recovery. As a special inter-departmental policy planning committee reported in the Spring of 1947,

> The security of the United States is concerned not only with the dangers which threaten a free country, but also with the effect which those dangers may have on other countries. If the U.S. supports a freedom-loving people whose independence is threatened, other nations may be stiffened in their determination to remain free; conversely, if

> the U.S. neglects to support such a free people, other nations may be profoundly dismayed and may lose faith in the leadership of the U.S.[18]

Officials did hope, therefore, that the China aid proposal would, in significant measure, soothe the tempers of pro-Nationalist American public opinion and the China bloc in Congress in particular. As a result, the legislative process on European aid would be expedited by defusing the China bloc as a potentially disruptive force in the event some gesture to Chiang Kai-shek was not forthcoming.[19] However the important point here is to understand that, despite some attention to pro-Nationalist opinion, the factor of this public sentiment had a clearly limited significance in context of the full range of Administration assumptions concerning the necessities of the situation.[20]

The demands of domestic politics would not have presented a major obstacle had the Truman administration really wanted to sever all ties with the Nationalist government in 1947 or early 1948. The Administration would have been forced to undertake a publicity campaign in order to justify such a policy. That would have aroused pro-Nationalist public opinion and an open debate would have ensued. But, had the Administration publicly laid stress on Nationalist corruption and inefficiency while calling attention to the insensitivity of the Kuomintang leadership to the need for social and economic reform, it would not have been difficult to convince the American public that Chiang's

regime was worth neither the time nor the expenditure of American resources and energies.

Notwithstanding the efforts of the China bloc to promote the Nationalist cause in the United States, public opinion in this country was not firmly in Chiang's corner. A good deal of criticism of the Kuomintang had existed since the end of the Second World War, and on this basis in 1947 and 1948 there was considerable discussion between critics and supporters of Chiang Kai-shek questioning the merit of giving aid to his regime.[21]

The least compelling of the complaints came from left-wing or communist groups which denounced the Kuomintang as a "fascist" organization and therefore undeserving of American support. More important were those who suggested that the Administration could not afford to give aid in light of Nationalist corruption and maladministration. To continue to do so would constitute an unacceptable drain on American resouces. Some observed that the United States had no business giving support to such a patently undemocratic and authoritarian regime. Others continued to argue that the United States involvement in China was contrary to American anti-colonialist and anti-imperialist traditions, in violation of the principle of self-determination of all peoples, subversive of the spirit of collective action through the auspices of the United Nations and thus damaging to the prospects for post-war cooperation with the Soviet

Union. The only appropriate course of action for the Administration in all these views, therefore, was for the United States to withdraw from China, cease all support to the Nationalist government and leave the Chinese to work out their own affairs.[22]

However, despite the potential of the opportunity, the Administration did not choose to tap this diverse reservoir of dissatisfaction with the Nationalist government. Actually, officials did not want to encourage open discussion of the China problem and certainly did not want to become entangled in a public debate over the question. Since it would be impossible to separate the issues of aid to China and Europe in a debate -- the China bloc in Congress would never allow it -- it was, in part, important to avoid public exchange on the matter because of the possible damage which might result to the Administration's effort to project a proper image of commitment to European recovery. In this instance as well, and with the same unwanted consequences, the Soviets and European communists might interpret debate as an indication of American domestic political divisiveness and irresolve on the issue of foreign aid in general and specifically with respect to Europe. Public debate also might be interpreted by non-communist Europeans as a sign of American ambivalence about Europe's future. Europeans had only to recall United States isolationist tendencies of the pre-war years to be easily alarmed that

Americans might again be persuaded to abandon the Old World to its fate.

However, there were other related reasons for avoiding public debate. Officials had already calculated the significance of aid to China in relation to the meaning and intent of the Truman Doctrine and the Administration's emerging policy of containment. Administration officials did intend that these related concepts should have global application. Since decision-makers believed that the Kremlin was involved in a coordinated worldwide program of aggression, it followed that only a planned and systematic American response ultimately could hope to achieve an effective containment of Russian power and influence.[23]

However, at the time, both the Truman Doctrine and the concept of containment were still largely statements of intent, goals yet to be achieved. The problem, therefore, was one of successful implementation and this required that officials deal with the specific administrative issue of what the United States was in a practical position actually to do about Soviet expansion. The limited resources available in support of foreign policy objectives raised several essential and related questions for decision-makers: where and how should the available resources be spent, and, what was the chance of achieving success by expending those resources? In view of these requirements, the principal expenditure obviously would have to come in those areas of

the world which officials perceived had a vital and direct relationship to the task of preserving the physical security of the United States and in 1947 and 1948 that meant Europe and the Mid-East. Given the condition of finite resources, though, an expenditure necessary to guarantee outcomes in foreign policy areas of primary importance invariably deprived less important areas to the point of not being able to ensure preferred results.[24]

However, decision-makers also were compelled to deal with this zero-sum factor involved in the process of allocating resources on a world-wide basis in relation not only to their belief that Soviet aggression had global proportions but that an American failure to respond effectively to communist provocation in one part of the world would have negative effect in other areas. Consequently, despite the inability to guarantee policy preferences in certain areas because of a lack of resources, or, as in the case of China, also because no reasonable application of resources appeared to have much chance of ultimately saving the situation, it did not follow that the particular area in question was devoid of importance, or that, despite not being able to guaranty preferred outcomes, the United States should avoid assuming the risks of involvement altogether.

Even though policy-makers were pretty well convinced by 1947 and early 1948 that the Nationalist government ultimately had virtually no chance of surviving, it was

important to maintain the regime in power for the time being, to retard the situation in China from deteriorating further and to prevent a communist victory for as long as possible. The Administration in 1947 simply did not want to respond to all the new problems which a Nationalist collapse would create in addition to already having to deal with a crises-ladden international situation. The nation's resources were being strained to the limit as it was. Generally speaking, therefore, officials hoped that a limited expenditure of American resources could stabilize the situation in China long enough until effective American counter-strategies of containment could be developed and applied so as to render other areas on the Eurasian continent immune to the further penetration of communist power.

The logic of the European Recovery Program to stem the communist advance in Europe would have been significantly less compelling in the event of an Administration decision not to aid Chiang Kai-shek's own fight against the Chinese Communist Party. This would have been especially problematic in view of the rhetorical generalizations concerning communism contained in numerous Administration foreign policy pronouncements, especially manifest in the Truman Doctrine and, by late 1947 in George F. Kennan's "theory" of containment. It made little sense -- as pro-Chiang enthusiasts in Congress were quick to point out -- to argue that the danger of communist aggression was worldwide,

as the Truman Doctrine and the theory of containment both did, and then proceed to treat that danger as though an exclusively regional problem. If communism was worth stopping in Europe so was it also worth stopping in Asia.

But then the Truman administration was not in the need of being convinced on this score. There was no question about the importance, in the words of Secretary of State Marshall, of a "restoration of the balance of power in both Europe and Asia"[25] (emphasis added) or of the necessity to commit a level of American resources sufficient to maintain those areas in the Western Pacific deemed vital to American security interests. China was a different matter however. A policy of limited assistance to the Nationalist government was one thing. But officials refused to toy with the option of commiting an excess of American resources and manpower in an effort to defeat communism on the East Asian mainland. Policy-makers thought such an effort would be foolish and irresponsible on the basis of their conviction that American involvement in a Chinese civil war would have disastrous effect on the nation's capacity to respond effectively to the full range of its foreign policy priorities. Some thought it possible that the United States eventually might be forced to take a firm stand against further communist expansion in Asia, but not in the unmanageable morass of the China situation as it existed in 1947 and 1948.

Policymakers did not wish to discuss the U.S. world view in public for rather obvious reasons. The Administration did not want to reveal the particulars of its thinking on China or China's relation to Europe. A good deal of official thinking about the Nationalist government was highly critical. Policy-makers did not want to be forced into the position of justifying their desire to give aid to China despite their negative view of Chiang's regime and their belief in the apparent hopelessness of the Nationalist cause. Nor did the Administration want to reveal official thinking to the Chinese for fear of lowering Nationalist morale to the point of precipitating the regime's collapse. And officials did not want to advertise to the Soviets the complex of American calculations concerning the process of establishing a strategic balance between the two powers.[26]

Generally, the problem for the Truman administration was that its own policy rested on a multiplicity of considerations which reflected the assumptions and arguments of neither the supporters of Chiang Kai-shek who desired greater American support to the regime nor his detractors who wanted the United States out of China altogether. This, in both respects, was precisely what officials wanted to avoid in terms of policy. The Administration did not want to be forced into making the decision to "fish or cut bait"

on the question of its China policy. Rather, decision-makers hoped to maintain a middle course balanced in the seam between over commitment and under commitment to Chiang Kai-shek's regime, which, in either of the latter two cases, officials perceived would produce unwanted consequences for other more vital sectors in American foreign policy. It was, in the words of the State Department's Director of the Office of Far Eastern Affairs, John Carter Vincent, a matter of the Administration maintaining sufficient flexibility so as to be able to continue its "efforts to contain the spread of Communism in China without becoming directly involved in the civil war...."[27]

[1]See, for example, Kubek, How the Far East Was Lost; Utley, The China Story; Davis and Hunter, The Red China Lobby.

[2]See, for example, Lewis M. Purifoy. Harry Truman's China Policy: McCarthyism and the Diplomacy of Hysteria (New York: New Viewpoints, 1976); Koen, The China Lobby; Tang Tsou, America's Failure; Stanley S. Bachrack. The Committee of One Million: China Lobby Politics, 1953-1971, (New York: Columbia University Press, 1976).

[3]The Central Intelligence Agency reported in the Fall of 1947 that, "...the greatest present danger to the U.S. security lies...in the possibility of the economic collapse of Western Europe and the consequent accession to power of elements subservient to the Kremlin." C.I.A. Situation Report, S.R. No. 1, 26 September 1947, p.2., file 77/179A, DDRS.

[4]Memorandum by Mr. Philip D. Sprouse to General Wedemeyer, 23 August 1947, F.R., 1947, VII, 748-479; See, also, a report prepared in the Embassy in China and concurred in by the Embassy's Minister-Counselor, W. Walton Butterworth, shortly before his return to Washington to become the Director of the State Department's Office of Far Eastern Affairs, that, "...all-out aid to the present Government (of China) at this time would...critically heighten friction between the United States and Russia in the Far East...(and)...gravely compromise our current political objectives in Western Europe." Memorandum Prepared in the Embassy in China for the Minister-Counselor of the Embassy, 5 July 1947, ibid., 224; See, also, the revealing comments made in a C.I.A. assessment of Chinese dissatisfaction with the Administration's China policy, that, "...the Chinese Government wants more from the US than periodic payments given with the view to sustaining China as a buffer against Communism.", and, "China does not want to have its problems considered as part of the over-all conflict between the US and the USSR." C.I.A. Summary of the China situation for the period September 1947 to March 1948, Sect. 4, pp. 6-7, file 75/IG, DDRS. Assuming the accuracy of this C.I.A. assessment of Chinese thinking, there is some irony in contemplating that it was precisely because of the nature of the "over-all conflict between the U.S. and the USSR" that the Administration proved willing to extend any assistance to the Nationalist government after 1946; why the Administration never seriously contemplated cutting off aid to Chiang's regime after the failure of the Marshall mission.

[5]The Director of the Office of Far Eastern Affairs, John Carter Vincent, made the following comments shortly after General Marshall returned from China to become Secretary of State, "It is...our policy to give the Chinese economic and other aid unrelated to civil strife 'when conditions in China improve' and when there is reasonable assurance that such aid will encourage economic reconstruction and reform.... In approaching the problem of economic assistance it will be

up to us to determine 'when', in the words of the President, 'conditions in China improve.' While being careful not to be misled by measures adopted by the Chinese as 'window dressing', we should not set such a high mark for early progress as to defeat our own ends. Thus, in determining when China merits economic assistance...our approach should be more sympathetic than exacting or censorious." The Director of the Office of Far Eastern Affairs to the Secretary of State, 7 February 1947, F.R., 1947, VII, 790-791.

[6]As the Embassy in China suggested in the Summer of 1947: "By a reasoned and coordinated program of conditional aid...an effort could be made to foster the emergence of a regime...which would offer a reasonable risk for...engaging in a holding operation against the progessive spread of indigenous communism and its corollary, Soviet political expansion." Memorandum prepared in the Embassy in China for the Minister-Counselor of the Embassy, 5 July 1947, ibid., 224.

[7]The Assistant Director of the Division of Chinese Affairs wrote in the late Summer of 1947, that, "In any consideration of the question of aid to China, the U.S. must weigh carefully the relative importance of China to our national security and strategic interets in relation to other parts of Asia and the world." Memorandum by Mr. Philip D. Sprouse to General Wedemeyer, 23 August 1947, ibid., 751.

[8]See, for example, The Ambassador in China to the Secretary of State, 6 January 1947, ibid., 6-12; Memorandum by the Chief of the Division of Chinese Affairs to the Director of the Office of Far Eastern Affairs, 3 July 1947, ibid., 214-215; The Consul-General at Peiping to the Ambassador in China, 25 & 30 October 1947, ibid., 336-337, 347-350.

[9]For Administration thinking on Soviet strategy and tactics toward the Chinese civil war, see, The Assistant Chief of the Division of Chinese Affairs to the Director of the Office of Far Eastern Affairs, 18 December 1947, ibid., 404-410; Memorandum by the Second Secretary of the Embassy in China, no date, July 1947, ibid., 678-682; Memorandum by Mr. Philip D. Sprouse to General Wedemeyer, 23 August 1947, ibid., 749; C.I.A. Situation Report, S.R. No. 2, 14 November 1947, p. 6, file 77/179B, DDRS; C.I.A. Situation Report, S.R. No. 3, 17 December 1947, p. 2, file 77/96E, DDRS; The Ambassador in China to Secretary of State, 20 January 1948, in U.S. Dept. of State, Foreign Relations of the United States (Washington, D.C., 1974), VIII, 448-449. Hereafter cited as F.R., 1948, VIII.

[10]A draft report by the National Security Council in early 1948 speculated that, "...large-scale US assistance to the Nationalist Government would probably result in large-scale Soviet assistance to the Chinese Communists. In the resultant mounting spiral of support and counter support, the advantage would be with the USSR, because of its

favorable geographical position and the vitality of the Chinese Communist movement." Draft Report by the National Security Council on the Position of the United States Regarding Short-term Assistance to China, 26 March 1948, ibid., 46-47.

[11]The Assistant Chief of the Division of Chinese Affairs to the Director of the Office of Far Eastern Affairs, 18 December 1947, F.R., 1947, VII, 406.

[12]For Administration thinking concerning the consequences of a United States withdrawal from China, see, Memorandum Prepared in the Embassy in China for the Minister-Counselor of the Embassy, 5 July 1947, ibid., 224; Report by the Office of Intelligence Research on the strategic importance of China proper and Manchuria to the security of the U.S., 18 September 1947, ibid., 287; The Assistant Chief of the Division of Chinese Affairs, Philip D. Sprouse, observed in a report to General Albert C. Wedemeyer in August of 1947, that, "Withdrawal from China and extension of no assistance...is manifestly impossible since it would... (cut) ...the ground from under the feet of the Chinese Government and laying the country open to eventual communist domination. It would have repercussions in other parts of Asia and would make easier the spread of Soviet influence and Soviet political expansionism in Asia." Memorandum by Mr. Philip D. Sprouse to General wedemeyer, 23 August 1947, ibid., 753; Draft Report by the National Security Council on the position of the United States regarding short-term assistance to China, 26 March 1948, F.R., 1948, VIII, 45; C.I.A. Situation Report, S.R. No. 1, 26 September 1947, p. 4, file 77/197A, DDRS; Kennan, Memoirs, 395-396.

[13]The C.I.A. reported, that, "Of important concern in relation to Western European recovery is the existing instability in colonial areas upon the resources of which several European powers have hitherto been accustomed to depend." C.I.A. Situation Report, S.R. No. 1, 26 September 1947, p. 4, file 77/179A, DDRS.

[14]See, the C.I.A. report that, "Continuing conflict and instability in Southeast Asia affect the interests of the United States in both Europe and the Far East. The human and material resources of the area are of importance both to European recovery and to the support of a strategic position in Japan...." C.I.A. Situation Report, S.R. No. 2, 14 November 1947, p. 7, file 77/179B, DDRS.

[15]For example, a special "ad hoc" State-War-Navy interdepartmental committee, formed in the Summer of 1947 to develop general foreign policy guidelines, suggested the following objective for applications of foreign aid: "...timely provision of moderate amounts of assistance to avoid the development of crises which will demand urgent, much larger expenditures." Another section of the report argued that, "There is a 'bandwagon' quality attaching to the Communist movement...

which is vunerable to positive measures of aid and encouragement undertaken by the U.S. If such measures are taken early, they may be carried out with relatively small actual expenditures." The report continued, "Foreign armed forces which are supplied with U.S. equipment will look to the U.S. for replacement and maintenance. The maintenance of these forces would offer several benefits to the U.S. against the contingency of war. Foreign powers with aggressive designs...(would be faced with situations that would)...consume significant...amounts of time and resources, thus affording a cushion of time and distance to the U.S." Report by the Special "Ad Hoc" Committee f the State-War-Navy Coordinating Committee, 21 April 1947, in U.S. Dept. of State, Foreign Relations of the United States (Washington, D.C., 1972), III, 208, 217-218. Hereafter cited as F.R., 1947, III; For further documentation on this manner of thinking in policy planning, see the State Department's assessment of policy options "c" and "d" as posed in the, Draft Report by the National Security Council on the Position of the United States Regarding Short-term Assistance to China, 26 March 1948, F.R., 1948, VIII, 48-49.

[16]Kennan, Memoirs, 335, 369.

[17]A good example of the Administration's sense of the requirements of the European problem can be seen in a report by the Policy Planning Staff in the Spring of 1947, that, "...we must recognize that much of the value of a European recovery program will lie not so much in its direct economic effects ...as in its psychological and political by-products." Report by the Policy Planning Staff on certain aspects of the European Recovery Program from the United States standpoint, 23 July 1947, Part III, p. 3, file 75/26A, DDRS; See, also, a memorandum written by George Kennan in the Spring of 1947, that, "The Planning Staff feels ...that there is great need, for psychological reasons, of some energetic and incisive American action to be undertaken at once in order to create in Europe the impression that the United States has stopped talking and have begun to act and that the problem is being taken in hand swiftly and forcefully." Memorandum by the director of the Policy Planning Staff, 16 May 1947, F.R., 1947, III, 222; In an address to the War College in June of 1947, Kennan observed that, "the towers of the Kremlin cast a long shadow. On many of these countries, otherwise content to tolerate if not to welcome the existence of our country as a great power, these shadows have already fallen. And that, gentlemen, is a dangerous thing; for the more I see of the life of this international society the more I am convinced that it is the shadows rather than the substance of things that move the hearts, and sway the deeds of statesmen." Kennan, Memoirs, 369.

[18]Report by the Special "Ad Hoc" Committee of the State-War-Navy Coordinating Committee, 21 April 1947, F.R., 1947, III, 209.

[19]See the comments made in Acheson, Present at the Creation, 303-304.

[20]The perceived need on the part of officials to create correct foreign policy images, to play a certain "role" in front of an international "audience", especially with respect to the problem of European morale, is strongly implied by the report of the "Ad Hoc" policy-planning group of the State-War-Navy Coordinating Committee, in which the question of aid to China was placed in the general category, "Priorities for piece-meal acts of assistance, perhaps, with a psychological objective...." Report by the Special "Ad Hoc" Committee of the State-War-Navy Coordinating Committee, 21 April 1947, F.R., 1947, III, 207; For a good indication of the Administration's determination of the importance of giving aid to the Nationalist Government irrespective of pro-Chiang Kai-shek sentiment in Congress and in the public-at-large, see a report on comments made by Secretary of State Marshall in the late Spring of 1947: "The Secretary indicated his growing concern with the development of events in China, and indicated his conviction that this country must in its own interest do something to arrest the course of developments there. He said that he would not, frankly, know precisely what should be done. He felt certain only that something must be done shortly." Memorandum of Conversation by the Director of the Office of Financial and Development Policy, 11 June 1947, F.R., 1947, VII, 1133.

[21]Although 55% of those questioned in a Gallup Poll of 28 April 1948 approved of the United States sending "more military supplies, goods and money" to the Nationalist government, it is significant to note that 32% disapproved while 13% had no opinion. Public Opinion Quarterly, Fall 1948, 548.

[22]With respect to the nature of anti-Nationalist opinion in the United States in 1947 and 1948, see, Senate Committees on Foreign Relations and Armed Services, Joint Hearings on the Military Situation in the Far East, 82 Cong. 1 Sess. (1951), 2202-2203; For comments on Henry Wallace's oppositions to American involvement in China see, Melby, Mandate of Heaven, 254; As a measure of the magnitude of anti-Nationalist sentiment in the United States during the period, see the critical comments about this segment of public opinion in Kubek. How the Far East Was Lost Especially Chapter 16; In addition to specifically anti-Nationalist opinion in the United States, had officials really desired to cut all ties with the Chiang regime, the Administration also could have cultivated continuing isolationist sentiment in support of its intention, as well as those still prevelant attitudes concerning retrenchment of government spending. Just as in 1946, however, decision-makers continued to be concerned about how to justify foreign policy commitments and expenditures in the face of parsimonious public priorities. See, Millis, Forrestal Diaries, 214-215; 287-288; For further evidence of official concern on this score, see, The Secretary of State of War to the Secretary of State, 26 February 1947, F.R., 1947, VII, 803; Memorandum prepared in the Embassy in China for the Minister-Counselor of the Embassy, 5 July 1947, ibid., 223; A survey of White House mail (letters and telegrams) in 1947 continues to reveal

considerable criticism as well as praise for Chiang Kai-shek. In 1948 the quantity of negative assessments of Chiang appears to diminish. Official File, Box 633, Truman Papers, HSTL.

[23]See, Charles E. Bohlen's comments, that, "In the Soviet world, which means those areas under direct Soviet control or domination in Europe and the Far East, the Soviet Government is ...effectively engaged in consolidating and strengthening those areas under its control." Only if the non-Soviet world draws "closer together politically, financially, and in the final analysis, militarily...(can the)... non-Soviet world hope to survive in the face of the centralized and ruthless direction of the Soviet world. In these circumstances, all American policies should be related to this central fact." Memorandum by the Consular of the Department of State, 30 August 1947, in U.S. Dept. of State, Foreign Relations of the United States (Washington, D.C., 1973), I, 764. Hereafter cited as F.R., 1947, I.

[24]On the need to order foreign policy priorities because of limited resources and the consequences of doing so, see, Report by the Special "Ad Hoc" Committee of the State-War-Navy Coordinating Committee, 21 April 1947, F.R., 1947, III, 218; Report by the Policy Planning Staff on Certain Aspects of the European Recovery Problem From the United States Standpoint, 23 July 1947, p. 59, file 75/25I, DDRS; At a National Security Council meeting of 12 February, 1948, Secretary of State Marshall cogently observed in relation to developing international problems, "the trouble (is) that we are playing with fire while we have nothing with which to put it out", Millis, Forrestal Diaries, 373.

[25]Secretary of Defense James Forrestal reported Marshall's statement in November, 1947, that, "...the objective of our policy from this point on would be the restoration of the balance of power in both Europe and Asia and that all actions would be viewed in light of this objective." Millis, Forrestal Diaries, 341; Compare Marshall's statement to that of George Kennan, "All in all, our policy must be directed toward restoring a balance of power in Europe and Asia." Memorandum by the Director of the Policy Planning Staff to the Secretary of State, "Resume of the World Situation", 6 November 1947, file 75/43C, DDRS.; See, also, the observations of the Joint Chiefs of Staff in the Summer of 1947. In referring to the "broad" policy of the President (i.e., as implied by the Truman Doctrine), the Joint Chiefs argued that, "From the military point of view it is believed important that if this policy is to be effective it must be applied consistently in all areas of the world threatened by Soviet expansion.", and, "United States assistance to those nations on the periphery of Soviet controlled areas in Eurasia should be given in accordance with an overall plan." Memorandum by the Joint Chiefs of Staff to the State-War-Navy Coordinating Committee, 9 June 1947, F.R., 1947, VII, 842, 844-845.; See also the National Security Counsel report arguing against a "defensive" American policy, rather suggesting that the United States should organize "a world-wide

counter-offensive against Soviet-directed world communism." Such a policy would give the United States the "initiative", and, "...permit concentration of strength on vital objectives. It would strengthen the will to resist of anti-communist forces throughout the world and furnish convincing evidence of U.S. determination to thwart the communist design of world conquest." The report went on to observe that, "This policy...would be the most effective way of deterring the USSR from further aggression." Report by the National Security Council on the Position of the United States With Respect to Soviet Directed World Communism, 30 March 1948, file 75/278D, DDRS; See also, a C.I.A. report, March 1948, that, "...the defeat of Japan has placed the USSR in a position of unmatched power among Far Eastern nations. Restoration of a balance in Far Eastern power relationships has consequently fallen directly upon the U.S." C.I.A. Summary of the China Situation for the Period September 1947 to March 1948, Sect. 6, p. 1, file 75/1G, DDRS.

[26]On the point of keeping Administration thinking on China policy matters confidential, See Secretary of State Marshall's opening remarks in his presentation on the China Aid bill before a joint session of the Senate Foreign Relations and House Foreign Affairs Committees on 21 February 1948. See China White Paper, 380; See also Marshall's admission of his less than candid replies to Congressman Walter Judd's questions concerning the issue of the Administration's China policy during hearings on interim aid to Europe in the Fall of 1947. Memorandum of Conversation by the Director of the Office of Far Eastern Affairs, 13 November 1947, F.R., 1947, VII, 1215; The desire to avoid unnecessary controversy and complications for its China policy was one of the reasons the Administration determined not to release to the public the essence of General Wedemeyer's report on economic and military aid submitted to the President in September of 1947. See, Minutes of the Meeting of the Committee of Two, 3 November 1947, ibid., 911; Memorandum by the Director of the Office of Far Eastern Affairs to the Secretary of State, 24 September 1947, ibid., 776; Memorandum by Brigadier General Marshall S. Carter to the Director of the Executive Secretariat, 25 September 1947, ibid., 777; Even in 1949 the possible effect of releasing the Wedemeyer report continued to disturb policy-makers. See, Secretary of State Dean Acheson's memorandum to President Truman, that, "...there are statements in this Report which, if released at this time, might have an undesirable effect abroad and others which would provide domestic critics of the Administration's policy toward China additional opportunities to attack that policy." Memorandum by the Secretary of State to the President, no date, 1949, file 75/84F, DDRS; For further pertinent comments see, also, Richard H. Rovere and Arthur M. Schlesginer, Jr. The General and the President and the Future of American Foreign Policy (New York, 1951), 212fn, 212-213, and, Richard M. Freedland. The Truman Doctrine and the Origins of McCarthyism (New York, 1972), 112.

[27]The Director of the Office of Far Eastern Affairs to the Secretary of State, 18 July 1947, F.R., 1947, VII, 1168; For further documentation concerning the Administration's preference to avoid "either-or" type options in China, see, The Acting Secretary of State to the Ambassador in the Soviet Union, 2 April 1947, ibid., 815; Memorandum by the Under Secretary of State to the Secretary of State, no date, June 1947, ibid., 835; Secretary of State Marshall noted in early 1948, that, "There has been and is no lack of awareness here of (the) seriousness (of the) situation in China...nor is there any lack of desire to take feasible action consistent with our overall interests and responsibilities toward assisting Chi Govt. I do not think however that such involvement...places upon us responsibility for course and conduct of the civil war and maintenance of the regime nor on the other hand do I think we should withdraw all aid from China." The Secretary of State to the Ambassador to China, 9 February 1948, F.R., 1948, VIII, 13; For Secretary of Defense Forrestal's interpretation of Marshall's thinking see the former's notes on a National Security Council meeting of 12 February 1948, Millis, Forrestal Diaries, 372.

CHAPTER VII

CIVIL WAR IN CHINA, JANUARY 1947 - JUNE 1948: INTRA-GOVERNMENTAL DEBATE ON THE MEANING OF LIMITED ASSISTANCE

The issue of aid to China was not altogether devoid of controversy throughout 1947 and 1948 within the government. For example, it is generally true that the Departments of War and Navy, and after the National Security Act of 1947, the Department of Defense, frequently tended to view the requirements of China policy primarily in military terms. Somewhat differently, the State Department's assessment of the question of aid to Chiang's regime, especially that of a military nature, often proceeded in the presence of a series of qualifying political considerations. However, neither State nor Defense ever transcended certain well recognized boundaries in arguing their respective positions on the issue of China aid, specifically, neither ever questioned in 1947 and 1948 the necessity of avoiding the liabilities of both a policy of under-commitment as well as over-commitment of American resources to the Nationalist government.

The essential questions on which State and Defense differed were: what amount and what type of assistance to Chiang's regime could be rendered to prevent a Nationalist

defeat but at the same time which would avoid the risks of over-commitment. And yet, in this regard, though Defense was more optimistic in stressing military-strategic considerations while State was rather pessimistic in emphasizing those of a political nature, neither ultimately proved willing to ignore the implications of the other's arguments. Thus, while there was some measure of high level debate on China aid, it was less the result of a fundamental divergence of opinion concerning the requirements of the situation in China, than it was the inevitable consequence of policy-making intercourse between interested government agencies, each with its own somewhat different advisory responsibilities in contributing to the decision-making process. In a word, there never developed within government circles a pronounced effort from any source to bring the Administration's approach to China in 1947 and 1948 in line with the more radical public suggestions that either the United States grant all out aid to Chiang's regime or get out of China altogether.

The Chief of the State Department's Division of Chinese Affairs stated succinctly the general problem facing the Administration in formulating a policy toward China in a memorandum written in early February of 1947, "Uppermost must be the effort to prevent China's becoming a major irritant in our relations with Soviet Russia and to prevent China's coming under Chinese Communist control."[1] Herein

existed the preferred parameters for American policy. The Administration would have to be concerned with ways in which it could help to sustain the non-communist position in China. Complete withdrawal simply was not a feasible alternative. Some measure of material support to the Nationalist government would be necessary. However, at the same time the Administration would have to be careful lest the nature of its commitment trigger a Soviet counter escalation precipitating either a direct confrontation between the two in China or else a general world crises requiring multiple and costly American responses to diversionary actions by the Soviets elsewhere in Asia or in the West.

Through the Winter and Spring of 1947, Administration officials continued to discuss the relative weight of multiple policy-making considerations on the question of giving aid to Chiang's regime. In the State Department, the Chief of the Office of Far Eastern Affairs, John Carter Vincent, suggested that the United States, "withhold military aid to China in any form which would contribute to or encourage civil war." Vincent continued to emphasize the policy priorities of the Marshall Mission, arguing that the prospect of aid should be used to pressure the Kuomintang in the direction of a political settlement. He was not yet prepared to terminate efforts to promote the emergence of peace, unity and stability, in China -- still the most desirable alternative from the American point of view given

the major United States interest in obstructing the further expansion of Soviet power and influence.[2]

Other State Department Officials, including Secretary of State Marshall, do not seem to have been quite so concerned as Vincent to proceed as though a political settlement in China remained a feasible option. Nonetheless, Vincent continued to press his view into the Summer of 1947 primarily because the outside chance of a political settlement, even if based on the miracle of a military stalemate, was clearly preferable to a continuation of the civil war which most Administration officials thought ultimately would end in a Communist victory.

The Service Chiefs, Secretary of War Robert P. Patterson and Secretary of the Navy James V. Forrestal, were even less inclined to think of China as a political problem. The Marshall Mission had failed. Civil war was the fundamental fact in China. There no longer existed any realistic basis for a political settlement. If the United States was to prevent the expansion of Soviet power in East Asia, it would have to be accomplished primarily through military means. Chiang Kai-shek's regime was the only non-communist military alternative to the Chinese Communists and so it followed that the United States would have little option but to sustain the Kuomintang's military effectiveness.[3]

State Department Officers, including Vincent, did not question the importance of maintaining Nationalist armies

in the field so long as the civil war continued. The Director of the Office of Far Eastern Affairs wrote in early February of 1947, "It would be manifestly unrealistic to withhold arms from National Government forces if such action condemned them to a degree of military anemia which would make possible a successful offensive by the Communist forces."[4] And it was this kind of thinking in the State Department which, in the face of a deteriorating Nationalist military position, allowed the necessity of lifting in May the embargo on arms to China established during the Marshall Mission during the previous summer; of granting in June an opportunity to the Nationalists to purchase 130,000,000 rounds of ammunition at 10% of the actual procurement cost; and, of leaving in China some 6500 tons of military supplies subsequent to the final withdrawal of American Marines in the Summer of 1947.[5]

However, Vincent, the Secretary of State and others in the Department, were not prepared to ignore the question of military aid to the Nationalists in light of a series of qualifying political considerations. For one thing, they thought that the extent of aid to China, especially that of a military nature, would have to be carefully calculated lest its excess produce the enormous costs and risks of a Soviet counter-escalation in support of the Chinese Communists.[6] They further believed that a program of military assistance would generate the unwanted image of

American imperialistic interference in China's internal affairs.[7]

State Department officials remained convinced, moreover, that the central problem for the Kuomintang was not a lack of arms and ammunition but was one of inept military leadership and lack of troop morale. They assumed that so long as the regime continued to avoid fundamental reforms, the Kuomintang's corruption and maladministration of civil and military affairs made it inevitable that the greatest portion of any program of American assistance likely would be wasted. On this point, and short of direct American supervision of military aid, the military establishment concurred.[8]

State Department officials also worried about what effect too much United States assistance would have on the attitudes of those more "liberal and progressive" Chinese who were sure to be angry in their belief that infusions of military aid simply reinforced the stranglehold of the "reactionaries and the militarists" on the Kuomintang party apparatus and whose policy of force was destroying China and the Nationalist government. This group of Chinese also believed that an inverse ratio existed between the granting of American aid and the reformist inclinations of the Kuomintang leadership, i.e., the greater the amount of aid the less likely the leadership would be to implement those

reforms essential to the regime's survival.[9] If this important segment of China's political and intellectual community were to become so dissatisfied with the nature of the American-Kuomintang association that they should begin to give active support to the Chinese Communists, then Chiang's regime would be all the more isolated from popular support and as a result that much closer to the imminent prospect of defeat.

The Service Secretaries, especially Forrestal, seemed less concerned that a more substantial program of military assistance to the Nationalist government was likely to prompt a Soviet reaction. And since the essential priority was containing the spread of Soviet power, the Secretary of the Navy also appeared less preoccupied with the question of Kuomintang corruption and maladministration or what effect American aid might have on the thinking and affiliations of "liberal and progressive" Chinese. Under the circumstances of civil war, military expedience required that for the moment the Administration ignore the more unpalatable characteristics of the regime as well as the adverse effect which giving military aid might have on Chinese public opinion. In early June of 1947, the Joint Chiefs of Staff (JCS) underscored the position of those who favored greater military aid to China by generally advocating an expanded program of "carefully planned, selective and well-supervised assistance to the National Government, under

conditions which will assure that that assistance will not be misused...."[10]

But if the Service Secretaries and JCS were less inclined than the State Department to develop political reservations about the nature and extent of military aid to the Nationalist Government, it did not follow in their thinking that the alternative was an open-ended military commitment to Chiang's regime. The JCS themselves were responsible for creating the most fundamental restrictions on aid to China. In late April of 1947, the JCS reported that "The assumption that the next war will be ideological and the thesis that current aid shall be given only in the interest of our national security places China very low on the list of countries which should be given such assistance."[11] In ranking countries with respect to the question of their strategic importance to vital United States security interests, on a numerical basis the JCS placed China fourteenth out of sixteen nations listed and in a strictly Asian context, second behind Japan. In a subsequent report, the JCS, concerned with the question of the importance to the national security of the United States and in terms of urgency of need, ranked China fourteenth down the list of countries and behind Korea![12] In brief, the global-strategic assessments of the JCS actually had the effect of re-inforcing the relevance of the State Department's reservations about military aid to China and thus merely served

to sustain the questions of how much and what type of assistance should be given.

In July, the Administration dispatched the Army's Director of Plans and Operations, General Albert C. Wedemeyer to survey conditions in China, gather relevant information, and to make recommendations on the question of aid to Chiang's regime. The Administration could not have chosen to head this mission an individual more sympathetic to the Nationalist cause and yet one who could be expected to render a responsible appraisal of the situation.[12a] On the basis of his trip, General Wedemeyer submitted his report to President Truman in mid-September.

General Wedemeyer's report urged a significantly expanded program of American economic and military advice and assistance to the Nationalist government.[13] He suggested that the economic aid program should be supervised directly by American personnel so as to ensure against the ill effects of Chinese corruption and maladministration. He further argued that the American military advisory role be enlarged to include direct United States training of Nationalist combat troops; in effect, an American supervision of the reorganization of Nationalist military forces; American supervision of Nationalist army logistics; and American advice on tactical matters at the field force level but with the caveat that United States personnel should continue to avoid any direct involvement in combat hostilities.[14]

In addition to these recommendations, however, Wedemeyer's report also provided that any program of assistance would have to be "an integrated element of our worldwide policy of military assistance to certain nations". It also noted that the Chinese government would have to "take steps to reduce its military expenditures" while simultaneously undertaking vital reforms which would "increase the effectiveness and efficiency of the military establishment."[15] Although not included in the report's list of "conclusions" or "recommendations", it also observed that the Nationalist government would have to eliminate as rapidly as possible "the administrative inefficiency and corruption, which are paralyzing the economy and crippling China as a military power..." as well as to undertake "reforms to improve the internal political situation... (and) ...the welfare of the people."[16]

The Wedemeyer report did little to resolve the issues facing decision-makers on the question to aid to China. Like the Joint Chiefs, Wedemeyer argued optimistically that a well supervised and expanded program of American assistance would have the effect of helping Chiang's regime to stabilize its deteriorating military and economic position and, as a result, to prevent the expansion of Soviet power in China. At the same time, however, the report acknowledged the importance of across-the-board Kuomintang reforms despite the fact that this was the very thing which

the Nationalist leadership had been unable or unwilling to do in the years before the world war and since.[16a]

The arguments developed by the JCS and the Wedemeyer report failed to reduce the stature of the risks and liabilities which the United States was sure to face by significantly expanding its commitment to the Nationalist government.[17] So long as the Kuomintang leadership ignored the vital importance of reform, and by 1947 there was no firm basis for believing this attitude would change, the recommendations of the Wedemeyer report were bound to contend with a fundamental and compelling question, especially in view of the policy-making necessity to commit limited American resources in a manner dictated by a system of global-strategic priorities which rated China near the bottom on the scale of importance. If it was imperative to conserve American resources for deployment in areas of the world far more vital to United States interests than East Asia, then how could it be argued that substantial American economic and military aid be committed in China where not only was it virtually assured that most of it would be wasted but where once having made the commitment the prestige of the American government would be tied to a situation with the real potential to cause an interminable and dangerous drain of the nation's clearly limited resources?[17a]

The reporting of the newly formed Central Intelligence Agency (CIA) beginning in the Fall of 1947 appears to

have reinforced the argument against a substantial expansion of the American economic and military commitment in China. In a series of "situation reports" beginning in September and extending through March of 1948, the CIA postulated that there was little possibility Chiang Kai-shek would undertake a genuine and far reaching program of reform because he was too much dependent on "right wing support". "Substantial" United States aid would check the Kuomintang's economic and military decline, the Agency went on, though short of internal reforms American aid would have only limited and short term effect. A large scale American commitment ran the danger of a Soviet counter response which might cause a "spiral of support and counter support" eventually "increasing the possibility of a direct clash of interest" between the two in China. But even if this did not happen and the Kuomintang did carry out reforms, concluded the CIA, one to two billion dollars in economic aid plus the American training, equipping and supplying of thirty Chinese divisions could well be only the first of several installments over the long term for the purpose of defeating the Chinese Communists.[18]

The CIA analysis also raised questions about the Wedemeyer report's essential hedge against Kuomintang corruption and inefficiency, namely, that American aid, both economic and military, to the Nationalist government be "closely supervised" by American personnel. Intelligence

estimates doubted that the Nationalists would accept American supervision because of "normally acute Chinese sensitivity with regard to national sovereignty and (because of) the ascendency of the reactionary CC clique, which now permeates most of the Government's economic and financial agencies."[19] On the basis of his own frustrating experience in China, Secretary of State Marshall contributed the somewhat disdainful observation that the Chinese never displayed much hesitation in accepting American advice so long as it did not interfere with plans to act as they pleased.[20]

The Secretary of State did defer to the thinking of the Joint Chiefs and the recommendations of the Wedemeyer report. He agreed to fulfill earlier United States agreements with the Nationalist government by completing the process of equipping thirty-nine Chinese divisions ("39 Division Program") as well as eight and a third air groups ("8-1/3rd Air Group Program") for the Chinese Air Force. He also agreed to allow the Army Advisory Mission to engage in the training of Nationalist combat troops at military centers located on Formosa, and later in other safe areas, and to aid in the reorganization and direction of Nationalist Army logistics. This, however, represented the extent of concession to the views of the military establishment. Given the failure of Defense to develop convincing arguments in support of a significantly expanded American commitment to Chiang's regime, the most compelling alternative which

remained for decision-makers was to compose a policy of limited assistance based on those attitudes which continued to predominate in the Department of State.

State Department thinking on East Asia changed little throughout the course of 1947. Consistently cautious in assessing the situation in China, State Department Officials displayed little optimism in discussing what they reasonably expected could be done for Chiang's regime. The Director of the Office of Far Eastern Affairs, John Carter Vincent, was rotated out of that assignment to become Minister to Switzerland in July. Vincent's replacement, W. Walton Butterworth, coming from the Embassy in China, brought with him no significantly altered views on the subject. The pessimism implicit in the CIA assessments on China tended generally to reinforce the somewhat fatalistic decision-making atmosphere at State, no better revealed than in a statement made by the Director of the Policy Planning Staff, George Kennan, in November, "In China there is not much we can do, in present circumstances, but to sweat it out and try to prevent the military situation from changing too drastically to the advantage of Communist forces."[21]

Short of withdrawing from China altogether which was entirely out of the question because of the demands of the situation in Europe and the requirements of containing Soviet power, preventing the situation from getting any worse became the Administration's essential objective in

China. Little more than a week after Kennan's bleak comment, the CIA reported that "Continuing at the present rate, deterioration in the Nationalist Government's military, political and economic position would probably lead, within a year, to decisive communist military success and to actual disintegration of the Government. The extension of limited amounts of U.S. aid to China would be unlikely to reverse the trend, but would slow it appreciably."[22] It was with respect to the nature of this assessment and the goal of "slowing the trend", that officials beginning in late October of 1947 and continuing through January of 1948 undertook to develop the essentials of the China Aid Bill.

Officials at State were strongly disposed to avoid committing the United States to any overt or extensive program of military assistance to the Nationalist Government. A major factor in their reasoning was that military aid, as opposed to economic aid so defined, would make it appear as though the United States sanctioned the Kuomintang's policy of force. It was for this reason that the State Department consistently objected to any suggestion that United States military advisers be assigned to operational or field levels in the Nationalist Army, the fear being that not only would this place increasing responsibility on American advisers for tactical and strategic decisions -- in effect, for Nationalist conduct of the course of the civil war -- but, in doing so, would be likely

to open a floodgate of pressures on the Administration to carry the Kuomintang through to a final military victory. On the other hand, State Department Officials argued that American prestige should not be directly tied into a situation which many, if not most, believed ultimately would result in the defeat of Nationalists forces, irrespective of American military advice.[23]

State Department officials were convinced that an excessive infusion of military aid was likely to create additional disadvantages for the American presence in China. It might prompt a Soviet counter escalation in support of the Chinese Communists, produce a convincing spectacle of American imperialitstic interference in China's internal affairs, and alientate those "liberal and progressive" Chinese who believed that American military aid merely served to keep the "reactionaries and militarists in power. A program of economic assistance, on the other hand, appeared less likely to run the risk of a Soviet counter-response and since it could be justified as necessary to the welfare of the Chinese people, less subject to charges of imperialism and thus not as apt to produce a hostile public reaction in China.[24] In sum, in State Department thinking, a program of economic aid would provide the greatest safeguard against the United States being drawn further into the civil conflict, but at the same time would provide maximum benefits for the continuing, though admittedly short term, fortunes of the Nationalist Government.

To reiterate, this emphasis on economic as opposed to military aid, did not mean that State Department officials were insensitive to the obvious relationship between economic conditions and the military disposition of government forces. A program of economic assistance would have to include allowances for the Nationalists to purchase necessary military supplies. Officials also knew that pro-Chiang Kai-shek sentiment in Congress would never agree to any economic aid proposal unless it included such stipulations as would allow the Nationalist Government to obtain arms and ammunitions.

These considerations in addition to the need to ensure that the size of the aid proposal would prove sufficient to retard the rate of deterioration of the Chinese economy, were uppermost in the minds of those in the Office of Far Eastern Affairs, and the Division of Chinese Affairs, when they suggested in January of 1948 that Congress be asked to allocate a sum of $710,000,000 for use in China. In addition to stabilizing the Chinese economy for a time, the proposal would allow the Nationalist Government over the next year and a half to use roughly $120,000,000 of its foreign exchange reserves for military procurement. Under this plan, the Chinese would have the needed military assistance, but would themselves have the primary responsibility for obtaining it, thus the Administration would be able to avoid the pitfalls of an overt military commitment in China.[25]

With the exception of the military establishment, the State Department's China experts, in their $710,000,000 proposal, proved to be the most generous with respect to the question of aid to the Nationalist Government. The Under Secretary's Office soon reduced this figure to the $570,000,000 sum actually submitted to Congress in the form of the China Aid Bill in February of 1948. This action was not taken because of parsimonious attitudes internal to the Department of State but followed from the belief that Congress would never agree to allocate so large a sum as $710,000,000.[26] This proved to be a generally correct assessment of the mood of Congress, though the latter ultimately demonstrated even less inclination to be magnanimous than State Department officials might have wished. On April 2nd Congress passed the enabling legislation to include $463,000,000 in aid for China. President Truman signed the China Aid Act on the next day. However, it was not until July 3rd that the United States and the Nationalist Government signed the aid agreement and by that time the sum which had been authorized in the spring had been further reduced to a total of $400,000,000 by the House Committee on Appropriations.[27]

Even before the conclusion of hearings by the Appropriations Committee on the final disposition of the China Aid Act in late June, events in China already were producing questions as to whether or not some significant

alteration in the Administration's approach to China ought to be considered. The American Ambassador in China, John Leighton Stuart, in conjunction with the head of the Army Advisory Group, Major-General David G. Barr and Commander of United States Naval Forces in the Western Pacific, Admiral Oscar Badger, all were reporting by early June that the situation in China was critical; that substantial economic and military assistance was vital in order to halt the rapid decline of the Nationalist Government.

Arguing from the military, and practical, point of view, General Barr again raised the point that unless American supervisory personnel took over control of Nationalist military operations, to include training, logistics and planning, aid was sure to be wasted and the situation in all probability could not be saved. He suggested specifically that effectiveness of Chinese government forces would require American military advisers at the operational level to assist in making tactical and strategic decisions. Admiral Badger and Ambassador Stuart agreed.[28]

This was precisely the kind of expanded military commitment to the Nationalist Government which State Department officials argued against in 1947 and which produced the Administration's decision to grant ostensibly only economic assistance in the China Aid Bill. This, however, did not deter the military establishment from continuing to argue throughout the course of congressional debate on the Bill,

that a program of military assistance was just as important as economic aid. Even at the end of March, 1948, differences of opinion remained, reflected, for example, in the insistence by Army, Navy and Air Force representatives on the National Security Counsel (NSC) that their view of the necessity of military as well as economic aid be presented separately from that of the State Department in a NSC report on the question of short term assistance to China.[29] Only a few days later the Joint Chiefs observed that in view of the relationship between economic and military condition in China, it was meaningless to give economic aid in the absence of a level of military aid sufficient to stabilize the deteriorating position of Kuomintang forces.[30] The JCS also continued to argue pragmatically that implementation of a program of military assistance would have to be supervised by American personnel in order for it to have any positive effect on the situation. In early June, the Joint Chiefs concurred in General Barr's recommendations concerning an expanded role for American military advisers in China.[31]

There was no disagreement between the State and Defense Departments over the importance of military assistance. It was essentially an argument over the degree of risk involved in an overt and extensive, as opposed to covert and limited, program of military aid. In contrast to the fears of State, it appears that Defense did not think that military aid, to include use of American advisers at

operational levels in the Nationalist Army, would have the effect of generating the sort of pressures which might force the United States to assume an ever increasing responsibility for underwriting Nationalist military operations. Nor did Defense appear to be as much concerned about a Soviet counter-escalation.[32]

In any event, congressional approval of the enabling legislation for aid to China in early April, ended discussion on part of the issue. The China Bloc did manage to gain sufficient support in Congress to have $125,000,000 earmarked for the Chinese to use, in effect, for purchase of military supplies. Thus, the military establishment received some gratification in its quest to obtain military assistance for Chiang's regime though it was appreciably less than what the Department of Defense estimated the Kuomintang would require over the next year in order to hold its own against the Communists.

In their desire to link the United States more closely to Nationalist military fortunes, congressional supporters of Chiang Kai-shek also were able to attach to the enabling legislation the provision that expenditures of the $125,000,000 would be supervised directly by American personnel comparable to the United States military aid program to Greece and Turkey. Nonetheless, consistent with the State Department's and the Administration's desire to avoid the risks involved in assuming overt obligations in

support of Nationalists' military efforts, the China Aid Act, as finally worded and voted on by Congress, stated ambiguously that the $125,000,000 grant would be used by the Nationalist Government "on its option and responsibility" and for those purposes decided on the Chinese themselves. There was no mention whatsoever of the sum having military significance.[33]

Passage of the enabling legislation for the China Aid Act, however, did not quiet the issue of whether or not American supervision in disposing of the $125,000,000 ought to be required in order to insure that the grant be utilized effectively. In response to an inquiry on this matter by members of the House Appropriations Committee, on June 2nd, President Truman, in a letter to Secretary of State Marshall, and forwarded to the Committee, outlined the procedures by which the $125,000,000 would be made available to the Nationalist Government. The letter also defined the extent of the American role in assisting and advising the Nationalists in determining how the money should be spent. The presidential directive left the decision almost entirely up to the Chinese with the State Department designated to ascertain little more than that the accumulation of Chinese requests under the grant did not exceed the total authorized sum.[34]

Still obsessed with ways to involve the United States more deeply in China's civil war, pro-Chiang enthusiasts in Congress were thoroughly dissatisfied with the President's guidelines for administering the program of aid to China. Consistent with their intent, in early June, the China bloc again managed to attach the appropriations bill the proviso that the expenditures of the $125,000,000 earmarked for China be supervised by American personnel in a manner consistent with the Greek-Turkey military aid program. Were this to pass, it meant that American military advisers would become involved with the Nationalist Army at the planning and operational level in the manner that was then being recommended by the heads of the military missions in China, General Barr and Admiral Badger, and concurred in by the Joint Chiefs.

By June of 1948 there was not a great deal of high-level support in Washington for committing United States military advisers to China. The State Department, while willing to display some flexibility in allowing that expert advice on the problem of military procurement might be rendered to the Chinese in this country,[35] remained adamantly opposed to any expansion of the role of the Military Advisory Group in China. Secretary of State Marshall, without hesitation, advised that under no circumstances were American advisers to become involved in planning and operations for the Nationalist Army.[36] Secretary of the Army

Kenneth C. Royall took a similar position, noting his general agreement with President Truman's June 2nd directive concerning implementation of the China Aid Act. The Army Secretary even wondered whether the United States should send any military supplies to China in view of the apparent hopelessness of the Nationalist cause.[37]

In a somewhat related vein, General Albert C. Wedemeyer, still Director of Army Plans and Operations, noted his opposition to piecemeal military aid. If the United States was not going to give what was necessary to sustain Nationalist armies in the fight against the Communists (estimated by Defense at almost $1 billion for 1 year) then nothing should be given at all.[38] With respect to the policy question at hand, however, Wedemeyer opposed any plan to place United States advisers with Chinese army units as was being done in Greece. He even opposed the suggestion that United States personnel be allowed to go into combat areas to make sure food and supplies reached Kuomintang troops in the field. Assuming that short of large-scale American military intervention a Nationalist defeat was only a matter of time, Wedemeyer's arguments rested essentially on his view that any expansion of the American military role would associate United States prestige too closely with "the final debacle" in China.[39]

General Omar Bradley, Army Chief of Staff, agreed with Wedemeyer, suggesting that while the head of the Army

Advisory Group in China was undoubtedly correct about the need for United States supervision of military aid in order for it to be used effectively, he could not agree to place American advisers as recommended by General Barr.[40] Wedemeyer and Bradley both took the position that the Joint Chiefs ought to be asked to reconsider their support of General Barr's recommendations.[41] And, Wedemeyer and Secretary of the Army Royall, agreed that in testifying before the House Appropriations Committee, they would argue that the Greek-Turkish proviso should be removed from the China Aid Act.[42]

These high level discussions on the question of significantly expanding the American commitment to Chiang's regime which occurred in the late Spring of 1948 were the last of any significance. The discussions did not have a crucial importance, however, being largely a tired rehash of those same issues which had promoted intra-governmental debate on the matter during the previous year. Although a few like General Wedemeyer might lament that the situation could have been saved if only the United States had taken the initiative as he had proposed in the late Summer of 1947, since that time events in China merely had served to vindicate the State Department's opposition to increasing American aid to China. Corruption and maladministration of civil and military affairs remained the hallmark of the Kuomintang's self-defeating political style. The Chinese

economy continued to teeter on the brink of collapse while the government's military position rapidly worsened in the face of mounting Communist pressures.

Though long a dead issue, some will continue to opine that if the Truman administration had acted sooner and more forcefully, the defeat of the Nationalist government might have been prevented. And yet the success of this opinion would depend on dispelling State Department arguments against becoming overly involved in China's civil war: that saving Chiang's regime would have required United States intervention on a significantly expanded scale to include American supervision of Chinese economic and military affairs; that not only were Kuomintang leaders opposed to such supervision but that a direct assumption of responsibility for the course of the war would have destroyed American prestige and credentials on the important anti-imperialist issue; that even granting the regime could have been saved by American intervention, the ultimate cost of doing so would have been enormous; that not only would a major American intervention have run the risk of producing a costly confrontation with the Soviet Union but that even if it did not, the United States simply did not have sufficient resources in 1947 and 1948 both to save Chiang's regime and still respond effectively to the full range of its foreign policy problems, especially resolving the critical situation in Europe.

In view of these multiple considerations, it is not surprising that the State Department's sense of policy necessity toward the East Asian mainland prevailed not only within the Administration but with Congress as well. In the latter part of February, 1948, Secretary of State Marshall appeared before an executive joint session of the House Foreign Affairs and Senate Foreign Relations Committees to explain the Administration's position on the China Aid Bill. He candidly revealed the State Department's thinking in composing the aid proposal. It was designed, he noted, with the idea in mind that "our government must be exceedingly careful that it does not become committed to a policy (in China) involving the absorption of its resources to an unpredictable extent." But he said, "On the other hand we in the Executive Branch of the Government have an intense desire to help China," adding that, "It would be against U.S. interests to demonstrate a complete lack of confidence in the Chinese government and to add to its difficulties by abruptly rejecting its request for assistance."[43]

The full measure of the Secretary's statement had the desired effect. Transcripts of the executive sessions on the China Aid Bill held by the influential Senate Foreign Relations Committee reveal virtually no disagreement with the arguments presented by Marshall.[44] The China bloc twice failed to obtain a favorable vote on its efforts to attach the Greek-Turkish proviso to the China Aid Act, both in the

case of the enablng legislation in April and the appropriations legislation in June.[44a] Ultimately, the House and the Senate combined to provide $170,000,000 less than what the State Department had asked for initially!

Clearly, Congress was just as happy as the Administration to leave to the Chinese the essential responsibility to work out their own extraordinary problems. The Republican Chairman of the Senate Foreign Relations Committee, Arthur H. Vandenberg, later revealed his own attitude on the matter, one about which the State Department's Office of Far Eastern Affairs could not have been more pleased. Vandenberg noted his belief that "the overall problem was so big and complex that it was close to insoluble so far as the United States was concerned -- particularly in the face of a mounting crises in Europe." Though he did think it "desirable to continue our program of assistance to Chiang Kai-shek so long as such aid could be used effectively against communism", the Senator concluded that it was unwise, "to take any action that might involve the United States militarily on the mainland of Asia."[45]

[1]Memorandum by Mr. Philip D. Sprouse of the Division of Chinese Affairs to the Director of the Office of Far Eastern Affairs, no date, early February 1947, F.R., 1947, VII, 786.

[2]For Vincent's statement on withholding military aid for the purpose of discouraging civil war and for a general understanding of his view as to the importance of continuing to encourage a political settlement, see, The Director of the Office of Far Eastern Affairs to the Secretary of State, 7 February 1947, ibid., 789-793.

[3]See, for example, The Secretary of War to the Secretary of State, 26 February 1947, ibid., 800-801.

[4]The Director of the Office of Far Eastern Affairs to the Secretary of State, 7 February 1947, ibid., 791.

[5]For further documentation on State Department thinking concerning the importance of granting military aid to the Nationalist government, see, e.g., Secretary of State Marshall's comments in a memorandum to the Secretary of War in early March 1947, that, "With reference to military matters, it would be manifestly unrealistic to withhold arms, or more particularly ammunition, from National Government forces...." The Secretary of State to the Secretary of War, 4 March 1947, ibid., 806; Only days before, Marshall had written to Vincent, that, "The President this morning had one or two communications regarding the situation in China which apparently had disturbed him. He questioned me specifically as to whether or not the time had come when we must give the National Government ammunition.... I told the President that the situation in China was deteriorating, I thought, rapidly and that sooner or later we would have to act." Memorandum by the Secreatary of State to the Director of the Office of Far Eastern Affairs, 27 February 1947, ibid., 803-804; Dean Acheson made the following comment several days before leaving his State Department post as Under-Secretary of State. "It may be stated... forcefully that there is a moral obligation to assist the Chinese Government in obtaining...ammunition." Memorandum by the Under-Secretary of State to the Secretary of State, no date, late June 1947, ibid., 855; See, also, Report by the Special Ad Hoc Commttee to the State-War-Navy Coordinating Committee on Policies, Procedures and Costs of Assistance by the United States to Foreign Countries, 21 April 1947, F.R., 1947, I, 726-727, 728.

[6]Concerning State Department thinking on the risks of a Soviet counter-escalation, see Footnote #10, Chapter VI, supra; Also, see, Memorandum by the Director of Far Eastern Affairs for use in presenting to the President the problem of military assistance to the Chinese National armies, 27 June 1947, ibid., 859; See also the comment by the Assistant Director of the Division of Chinese Affairs, that, "Reasons against military aid are...the possibility of increased US-Soviet tensions and of Soviet military aid, either openly or covertly, to the

Chinese Communists which would result in making China a second Spain and might eventually lead to a third world war." Memorandum by Mr. Philip D. Sprouse to General Wedemeyer, 23 August 1947, ibid., 755.

[7]Concerning the necessity of minimizing grounds for criticizing American China policy as imperialistic see the comments by W. Walton Butterworth, then Minister-Counsel of the Embassy in China, that, "...all-out aid to the present government at this time would...completely destroy the confidence of Asiatic peoples in American integrity and political objectives...." Memorandum prepared in the Embassy in China for the Minister-Counselor of the Embassy, 5 July 1947, ibid., 224; See the comment by the Assistant Director of the Division of Chinese Affairs, that, "Reasons against military aid are ...the moral position in which the US would be placed, with damage to its prestige, were it to take action which would be construed as intervention in or encouragement for civil war in China." Memorandum by Mr. Philip D. Srouse to General Wedemeyer, 23 August 1947, ibid., 755; See also Secretary of State Marshall's observation, that, "With the passing of extraterritoriality, it does not appear appropriate or desirable that United States forces be maintained ashore in China on a permanent basis for the avowed purpose of protecting American interests there." The Secretary of State to the Secretary of the Navy, 23 July 1947, ibid., 971; Though written some months prior to the time period being reviewed in this chapter, a September 1946 report by Clark M. Clifford, Special Counsel to the President, is revealing on this point: "The United States should realize that Soviet propaganda is dangerous (especially when American 'imperialism' is emphasized) and should avoid any actions which give an appearance of truth to the Soviet charge". A Report to the President by the Special Counsel to the President, no date, September, 1946, Ch. 6, p. 79, file 75/139B, DDRS.

[8]See, for example, Memorandum for Use in Presenting to the President the Problem of Military Assistance to the Chinese Nationalist Armies, 27 June 1947; F.R., 1947, VII, 853-854; Memorandum Prepared in the Embassy in China for the Minister-Counselor of the Embassy, 5 July 1947, ibid., 222-223; Minutes of the Meeting of the Secretaries of State, War and Navy, 12 February 1947, ibid., 796; Memorandum of Conversation by the Secretary of State, 7 June 1948, F.R., VIII, 86; See, also, David E. Lilienthal. The Journals of David E. Lilienthal. Vol. III. The Atomic Energy Years 1945-1950 (New York, 1964), 200-201.

[9]For a good overview of the attitudes of this element in Chinese politics, see, Mr. Carsun Chang, Chairman of the Chinese Democratic Socialist Party to the Secretary of State, 1 November 1947, F.R., 1947, VII, 906-908; For Administration thinking on the matter of being careful not to alienate this segment of the Chinese political and intellectual community, see, The Director of the Office of Far Eastern Affairs to the Secretary of State, 7 February 1947, ibid., 791-792; Memorandum by the Director of the Office of Far Eastern Affairs for Use in Presenting to the President the Problem of Military Assistance to the Chinese National

Armies, 27 June 1947, ibid., 853-854; Memorandum by Mr. Philip D. Sprouse of the Division of Chinese Affairs to the Director of the Office of Far Eastern Affairs, no date, early February 1947, ibid., 787; The Secretary of State to the Secretary of War, 4 March 1947, ibid., 806; For a lengthy assessment of this policy-making factor, see, Memorandum by Mr. Philip D. Sprouse to General Wedemeyer, 23 August 1947, ibid., 743, 750, 753.

[10]Memorandum by the Joint Chiefs of Staff to the State-War-Navy Coordinating Committee, 9 June 1947, ibid., 843-844; A memorandum by John Carter Vincent in the latter part of June 1947 noted the differences, from the State Department's point of view, between the attitudes of State and the military establishment on the question of "direct and substantial" military assistance to China. Memorandum by the Director of the Office of Far Eastern Affairs to the Secretary of State, 20 June 1947, ibid., 849; For a sense of the military establishment's greater inclination to de-emphasize political considerations while stressing those on the military side of the issue, see, The Secretary of War to the Secretary of State, 26 February 1947, ibid., 800; Memorandum by General Wedemeyer to the Chief of the Division of Chinese Affairs, 13 October 1947, ibid., 892-893; Memorandum by the Joint Chiefs of Staff to the State-War-Navy Coordinating Committee, 9 June 1947, ibid., 838-848; Memorandum by the Secretary of the Navy to the Secretary of State, 20 June 1947, ibid., 968-970.

[11]See, Report by the Joint Strategic Survey Committee on United States Assistance to Other Countries from the Standpoint of National Security, 29 April 1947, F.R., 1947, I, 745.

[12]Ibid., 749.

[12a]It may be worthwhile to dwell here a moment on the topic of the Wedemeyer appointment as it bears on the issue of the relationship between public opinion and Truman Administration China policy. Questions continue to exist on this episode. Some have suggested that Wedemyer was sent as a means to placate the China bloc in Congress. Even Wedemeyer himself thought this was the case. (See, Acheson, Present at the Creation, 304; Wedemeyer, Albert C. Wedemeyer Reports! (New York: Henry Holt, Publ., 1958), 382, 388; Tang Tsou, America's Failure, 452-454; Westerfield, Foreign Policy and Party Politics, 260. Both Tang Tsou and Westerfield note Wedemeyer's claim that Marshall himself revealed that he had appointed Wedemeyer because of pressure from Congress, esp. from Walter Judd in the House and Styles Bridges in the Senate, and others. Judd also claimed this was the case. See, Tang, America's Failure, 454fn.) An early July 1947 memorandum by Marshall does appear to lend credence to this argument. In discussing sending Wedemeyer, Marshall noted "It so happened that during the past three days his name has been proposed to me by three different people outside of the Department representing the importance of doing something

to clarify our situation with regard to China." Memorandum by the Secretary of State to the Under Secretary of State, 2 July 1947, F.R., 1947, VII, 635. Ernest R. May, however, while not commenting on public pressure, has suggested that the Wedemeyer appointment may have had other origins. Possibly, Wedemeyer was sent as a means by which to out maneuver those within the Administration who then were favoring greater assistance to the Nationalists. If Wedemeyer, who was known to be sympathetic to Chiang, were to return with an objective report of the situation in China (which was very bleak), then it could be used effectively by Marshall to oppose an excess of American assistance to China in context of intra-bureaucratic maneuvering on the issue. On the other hand, May also suggests that Marshall simply may have wanted more information on the situation in China so as to be able to make the best decision on how to go about continuing to support the Nationalist government. May, The Truman Administration and China, 21. There is reason to believe that this latter condition, i.e., the need for greater information, constituted, in effect, the origin of the Wedemeyer mission. On the request of former President Truman that he submit a brief resume on his 1946 mission to China, in 1954 Marshall included the following comment about the Wedemeyer mission: "In an effort to find some course of action that might be taken to offset the Communist gains in China, General Wedemeyer was sent over to inquire into the situation. It was on my instigation that he was sent to China...." Memorandum on China from General George C. Marshall to Harry S. Truman, 18 May 1954, President's Secretary Files, Box 74, Truman Papers, Harry S. Truman Library, Independence, Mo. Moreover, in his early July 1947 memorandum, Marshall observes that, although he had talked to "three different people outside the Department" about Wedemeyer "during the past three days", nonetheless "For about two weeks I have had in mind the probable desirability of sending Wedemeyer to China...to make a survey of the situation and to report back at as early a date as possible." Marshall noted this in context of observing that the situation in China was "critical" and that it was an "urgent" matter that the Administration decide what it was going to do. Memorandum by the Secretary of State to the Under Secretary of State, 2 July 1947, F.R., 1947, VII, 635. It is of considerable interest to note these comments by Marshall, especially his reference to having had in mind a mission for "about two weeks", in relation to a June 20th discussion between the Chief of the Division of Chinese Affairs, Arthur R. Ringwalt, the Assistant Chief, Philip Sprouse, and the Director of the Office of Far Eastern Affairs, John Carter Vincent. In this meeting the three discussed the situation in China and the possibility that the Nationalists might succumb. Vincent noted the shortcomings of existing Joint Chiefs of Staff proposals concerning military assistance and accordingly suggested that a high ranking American official be sent to China -- Vincent wondered about Dean Acheson or Under Secretary of State, Robert A. Lovett -- to discuss the situation with U.S. officials there, to hear the Chinese side of the case, and then make a report to Washington. Memorandum by the Director of the Office of Far Eastern Affairs to the Secretary of State, 20 June 1947, Department of State, File 893.00/ Manchuria/6-1947. Whether or not

there is any connection between this Vincent memorandum and the Marshall decision to send a fact-finding mission to China, one thing seems clear, once again, in this instance as in others, public opinion appears to have been given too much weight as a factor influencing official decisions on China in the years following World War II.

[13]For the essentials of General Wedemeyer's report to President Truman in September, 1947, see, China White Paper, 764-814.

[14]Ibid., 813-814.

[15]Ibid., 814.

[16]Ibid., 779, 801.

[16a]It is also instructive to note that the State Department received information on the Wedemeyer mission from the Embassy in China that did nothing to enhance the chances of the report's recommendations being accepted as the basis for policy. See, for example, a letter from the Second Secretary of the Embassy in China to The Director of the Office of Far Eastern Affairs, that, "The more places the General (i.e., Wedemeyer) visited and the more people he saw, the more despairing he became over this Government and over the possibilities of giving aid which could be effectively used to achieve our purposes and without being dissipated. Letter from John F. Melby to W. Walton Butterworth, 25 August 1947, Box 2, Melby Papers, HSTL.

[17]For Marshall's view on the insufficiency of Defense arguments in favor of greater military aid to Chiang's regime, see, The Secretary of State to the Acting Secretary of State, 7 April 1948, F.R., 1948, VIII, 52-53.

[17a]In 1954 in a brief resume of recollections about his association with China policy in 1946 and 1947, General George C. Marshall noted in 1947, that, "One of the most difficult political reactions arose out of the fact that the Nationalist goverment of China was not able to procure quickly the military supplies it desired. These delays were charged to our Government. The facts were that our military reserves of modern equipment had been so reduced by allotments to various countries that the War Department could not afford further to diminish them. Even so, a direct purchase was rendered difficult because the money received by the War Department, for example, would have to be turned into the Treasury and a new appropriation secured, with the possibility of failure. And then there would be the delay in the manufacture of the items, since there was no general market for such supplies. The War Department was loath to enter into the business of these purchases because of their effect on the national defense. Further, the complications in the matter could not well be made plain to the public in the midst of a vigorous political discussion, statements or debate." Memorandum on China from General George C. Marshall to Harry S. Truman, 18 May 1954,

President's Secretary Files, Box 74, Truman Papers, HSTL; Having read the Wedemeyer report in 1947, Marshall observed that, "The feasibility of these recommendations will, of course, have to be considered particularly in relation to U.S. commitments and possible future commitments elsewhere in the world." Memorandum by the Secretary of State to the President, no date, 1947, President's Secretary Files, Box 173, ibid.; See, also, Marshall's letter to the President that, "I understand General Wedemeyer is presenting his report to you at noon today. It seems to me mandatory that we treat Wedemeyer's report strictly top secret and that no indication of its contents be divulged to the public. This will allow us time to review our policy in the light of the report, giving due consideration to it in balance with our policies in other parts of the world." The document also contains the handwritten comment, "I agree, HST". Memorandum for Mr. Connelly (Matthew J. Connelly, President's Secretary), 25 September 1947, President's Secretary Files, Box 73, ibid.

[18]See, C.I.A. Summary of the China Situation for the Period September 1947 to March 1948, Secs. 1, 2, 5, 6 & 7, file 75/1G, DDRS.

[19]See, C.I.A. Situation Report, S.R. No. 4, 12 January 1948, pp. 5-6, file 77/97A, DDRS; See also the comment by John Melby, then Second Secretary of the Embassy in China, that, "The Generalissimo has admitted to Dr. Stuart that he cannot allow his American ties to be too conspicuous." Melby, Mandate of Heaven, 271.

[20]Marshall made similar comments on numerous occasions, e.g., see, The Acting Secretary of State to the Ambassador in China, 28 November 1947, F.R., 1947, VII, 923; See, also, Memorandum of Conversation by the Secretary of State, 11 June 1948, F.R., 1948, VIII, 92.

[21]Memorandum by the Director of the Policy Planning Staff to the Secretary of State, "Resume of the World Situation", 6 November 1947, file 75/43C, DDRS.

[22]C.I.A. Situation Report, S.R. No. 2, 14 November 1947, p. 6, file 77/179B, DDRS.

[23]The Secretary of State to the Ambassador in China, 9 February 1948, F.R., 1948, VIII, 13.

[24]See, Memorandum by Mr. Philip D. Sprouse to General Wedemeyer, 23 August 1947, F.R., 1947, VII, 753, 758; Also, see, Memorandum by Mr. Robert N. Magill of the Division of Chinese Affairs, no date, January 1948, F.R., 1948, VIII, 450; Memorandum by the Director of the Office of Far Eastern Affairs to the Under-Secretary of State, ibid., 456-457.

[25]See, Memorandum by Mr. Robert N. Magill of the Division of Chinese Affairs, no date, January 1948, ibid., 448-449; Memorandum by the Director of the Office of Far Eastern Affairs to the Under-Secretary of State, 21 January 1948, ibid., 454-457.

[26]See, Memorandum by the Director of the Office of Far Eastern Affairs to the Secretary of State, 24 January 1948, ibid., 459-461; See, also, the record of conversation by the Chief of the State Department's Division of Investment and Economic Development, Hubert Havlik, that, "There followed a considerable discussion in which...(it was)...emphasized that in the case of aid to Europe, the US government expects the European countries to undertake steps of self-help...and that similarly we now desire to relate aid to a constructive program by the Chinese government.... (It was)...pointed out there might be resistence to the Administration's proposals for aid to (the) Chinese in some quarters of Congress, and that resistence...might arise because of doubts as to the economic prospects of China...." Memorandum of Conversation by the Chief of the Division of Investment and Economic Development, 6 January 1948, ibid., 452; See, also Secretary Marshall's statement, that, "Dept... (emphasizes the) ...strong feeling Congress, Executive Branch and American public that U.S. aid to China, as for Europe, is predicated on vigorous self-help program...." The Secretary of State to the Ambassador in China, 27 April 1948, ibid., 511; Also, concerning the presence in Congress of somewhat severe economic criteria in 1948 in judging the question of grants of aid to China, see, the "Princeton Seminar" discussions between Dean Acheson, Philip Jessup, Paul Nitze, McGeorge Bundy, Dean Rusk, et alia., in, Notes on China, 22 July 1953, Princeton Seminars, Acheson Papers, HSTL.

[27]For a brief, though concise, statement on the legislative history of the China Aid Bill, see, The Secretary of State to the Chairman of the Senate Committee on Appropriations, 1 July 1948, F.R., 1948, VIII, 104-107.

[28]Memorandum of Conversation by the Secretary of State, 11 June 1948, ibid., 91; See also, Memorandum of Conversation by the Chief of the Division of Chinese Affairs, 15 June 1948, ibid., 256-257; For the position of the Commander of U.S. Naval Forces in China, Admiral Badger, see, The Commander, U.S. Naval Forces, Western Pacific to the Chief of Naval Operations, 9 June 1948, ibid., 254-256.

[29]See, Draft Report by the National Security Council on the Position of the United States Regarding Short-term Assistance to China, 26 March 1948, ibid., 44-50.

[30]National Security Council Report on Possible Courses of Action for the U.S. With Respect to the Critical Situation in China, 26 July 1948, ibid., 119-120.

[31]See, Memorandum of Conversation by the Secretary of State, 11 June 1948, ibid., 95.

[32]For a sense of the tenor of Defense Department thinking convening military assistance to China, see, Memorandum by the Joint Chiefs of Staff to the State-War-Navy Coordinating Committee, 9 June 1947, F.R.,

1947, VII, 838-848; Of course the general thrust of the Wedemeyer report of September, 1947, was predicated on the assumed efficacy of an expanded program of military assistance despite the reservations raised by the State Department. See, China White Paper, 764-814; See also, the separate conclusions of policy options "a", "b", "c" & "d" by military members of the National Security Council in, Draft Report by the National Security Council on the Position of the United States Regarding Short-term Assistance to China, 26 March 1948, F.R., 1948, VIII, 46-50; See also, the relative lack of concern on the part of the military establishment over the possibility of U.S. naval forces actively assisting the Nationalist government in the defense of the coastal city of Tsingtao in the event of a Chinese communist attack. In this regard, see the following documents: The Commander of United States Naval Forces in the Western Pacific to the Chief of Naval Operations, 3 May 1948, ibid., 310-311, Memorandum by the Secretary of Defense to the National Security Council, 21 May 1948, ibid., 314-316; For State Department objections on this matter, see, The Secretary of State to the Secretary of Defense, 28 May 1948, ibid., 316-317; For rather severe criticism of the military establishment over this episode see the comments by the Director of the Office of Far Eastern Affairs, e.g., Memorandum by the Director of the Office of Far Eastern Affairs, 13 May 1948, ibid., 312-313; Also, see, Memorandum by the Deputy Director of the Policy Planning Staff, 27 July 1948, ibid., 122-123. Actually, by way of clarification on this point, it would be a productive endeavor to read the entire, though short, Foreign Relations segment on the Tsingtao question, see, Ibid., 307-345.

[33]See, The Acting Secretary of State to the Ambassador in China, 6 April 1948, ibid., 73-74; For a text of the China Aid Act of 1948, see, China White Paper, 991-993.

[34]President Truman to the Secretary of State, 2 June 1948, F.R., 1948, VIII, 79-80; The Secretary of State to the Chinese Ambassador, 28 June 1948, ibid., 100-101; The Acting Secretary of State to the Ambassador in China, 3 April 1948, ibid., 485; See also, The Secretary of State to the Chairman of the Senate Committee on Appropriations, 1 July 1948, ibid., 104-107.

[35]See, Memorandum of Conversation by the Secretary of State, 7 June 1948, ibid., 85; The Secretary of State to the Secretary of Defense, 17 June 1948, ibid., 99; Memorandum by the Under-Secretary of State, 9 June 1948, ibid., 110.

[36]See, Memorandum of Conversation by the Secretary of State, 11 June 1948, ibid., 91-93.

[37]Memorandum of Conversation by the Secretary of State, 7 June 1948, ibid., 86.

[38]Ibid., 84.

[39]Memorandum of Conversation by the Secretary of State, 11 June 1948, ibid., 93-95.

[40]Ibid., 95.

[41]Ibid., 98.

[42]Ibid., 96.

[43]See, China White Paper, 382-383; Marshall's comments before this joint session of the congressional committees do not appear to have been mere rhetoric for public consumption. Almost a month earlier, in drafting the Administration's position on a China Aid Bill, Marshall had written that, "The Chinese Government is in dire need of assistance to prevent irretrievable economic deterioration. However, the political, economic and financial conditions in China are so unstable and so uncertain that it is utterly impossible to develop a practical, effective long-term overall program for economic recovery. Nevertheless, it does appear desirable for the United States Government to render certain assistance to China in her present critical situation, assistance to provide some help in arresting the present rapid program of economic deterioration in order to provide some help in arresting the present rapid program of economic deterioration in order to provide a breathing space in which the Chinese Government could initiate important steps towards her own recovery." Draft Memorandum by the Secretary of State, 29 January 1948, Box 16, Office Files of the Under Secretary of State for Economic Affairs, HSTL.

[44]See, Senate Committee on Foreign Relations, Executive Session of the Committee on Foreign Relations, Historical Series, 80th Cong., 2nd Sess. (1948), 422-423, 433-442; See also, Senate Committees on Foreign Relations and Armed Services, Joint Hearings on the Military Situation in the Far East, 82nd Cong., 1st Sess (1951), 1903, 2238-2239; U.S. Dept. of State, China White Paper, 351-353; Congressional Record, 80th Cong., 2nd Sess., 3668, 3693; The Acting Secretary of State to the Ambassador in China, 6 April 1948, F.R., 1948, VIII, 73-74; Memorandum of Conversation by the Assistant Chief of the Division of Chinese Affairs, 2 June 1948, ibid., 78; See also, Notes on China, 22 July 1953, Princeton Seminars, Acheson Papers, HSTL.

[45]See, Arthur H. Vandenberg. The Private Papers of Senator Vandenberg. Arthur H. Vandenberg, Jr., ed (Boston, 1952), 523-524.

CHAPTER VIII

THE COLLAPSE OF THE NATIONALIST GOVERNMENT AND THE EMERGENCE OF THE POLICY OF MANEUVER: REFORMULATING THE ESSENTIALS OF CONTAINMENT IN ASIA

Despite the Administration's desire in the early part of 1948 to avert the short-term collapse of the Nationalist Government, events quickly dispelled any lingering hopes as to the staying power of Chiang's regime. Though Administration officials did not fully realize it, the Kuomintang denouement had begun even before Congress finished its deliberations on the China Aid Act.

Only days after the high level decision in Washington in early June to expand the United States military role in China beyond the already existing and rather modest military advisory mission to the Nationalist Government, the Central Intelligence Agency (CIA) reported that, short of American military assistance "on a considerable scale", the Nationalist Government was doomed.[1] In a report submitted to the National Security Council (NSC) in late July, Secretary of the Army, Kenneth C. Royall, estimated that under the best of circumstances, the Nationalists would be able to forestall defeat for six months, though collapse could come as soon as three.[2]

In this same report, and despite the early June decision, the Secretary of the Army again raised the issue of expanding United States military assistance to China. It is not altogether clear why the Secretary submitted the report, given the essence of his conclusions. It probably was an expression of anxiety, a reflection of the fact that by the Summer of 1948 decision makers sensed how near they were to responding to all those consequences which officials anticipated would follow in the wake of a communist victory in China. The potential calamity of this event, especially as it related to the problem of containing Soviet power, had long bothered the minds of policymakers. Thus, it was only natural that some would think it important to raise the question of preventative measures one last time.

Whatever the case, the Army Secretary offered four options in his report. Two of them, increasing American aid "to the maximum extent feasible" along with that of withdrawing aid altogether, he rejected out of hand.[3] A third proposition, that American recognition and aid might be shifted from the Nationalist Government to some more effective regional regime subsequent to the collapse of the former, the Secretary simply postulated without any qualification beyond observing that under the circumstances it was "contrary to the expressed policy of the U.S.".[4] The remaining alternative, "continuation of U.S. aid on the basis of programs now authorized", the Army civilian chief appeared to endorse by suggesting that it,

> ...would recognize the interest of Congress in continuing the ECA aid program as well as maintain, before the world, resemblance of adhering to announced U.S. policy toward China. Such a course could not produce the favorable decision required in the short time available to the Chinese national government; nevertheless, it would be in the nature of 'buying time' until the overall world situation is clarified.[5]

State Department officials quickly responded to Secretary Royall's report, implying that its content was little more than a tired rehash of issues which no longer warranted serious attention. The Deputy Director of the Policy Planning Staff (PPS) wondered what, if "any useful purpose...(was being served)...by raising the questions of increasing or withdrawing aid only to dismiss them and conclude that our present policy of aid is correct."[6] The Director of the Office of Far Eastern Affairs added that under the circumstances, and in view of the early June high level decisions on China, continuing United States assistance to the Nationalist Government "on a basis of programs now authorized is naturally the only course open to the U.S. at this time".[7] (emphasis added)

In the first week of August, the Joint Chiefs of Staff (JCS) entered the exchange between State and Defense by reiterating an earlier view that direct United States supervision of expenditures under the China Aid Act was the only way in which assistance to the Nationalists could be usefully and effectively rendered.[8] Yet, having made this

statement, the Joint Chiefs concluded by agreeing that a continuation of aid to China on the basis of already authorized programs, i.e., the China Aid Act, was the proper option to follow -- a course of action which, it had been decided, explicitly precluded the possibility of direct American supervision of aid to Chiang's regime![9]

Though it is not finally clear what the Joint Chiefs and the Secretary of the Army had in mind in presenting their reports of late July and early August, if indeed they were merely testing the policymaking atmosphere in Washington to see whether in view of steadily deteriorating conditions in China the question of preventative measures might not find a more receptive audience, the American Ambassador in China, John Leighton Stuart, was far less oblique in his approach to the worsening situation. While candidly acknowledging the near hopelessness of the Nationalist cause, Ambassador Stuart continued to argue throughout August and into October in favor of the need to enlarge the American commitment in hope somehow of winning from Washington a last minute reprieve for Chiang's regime. In rummaging through the possibilities, he even suggested that if the Administration was unable to expand the United States commitment, then it might again consider resurrecting the option of encouraging the emergence of a coalition government, anything, the ambassador seemed to be saying, which would prevent a total elimination of the non-communist influence in Chinese politics.[10]

Even had they wanted to, there were few in Washington who were inclined to lend a sympathetic ear to such suggestions in view of the spreading disintegration of Nationalist armies in Manchuria and North China in the late months of 1948. Before the end of October, the CIA observed that "the military situation...has turned so clearly against the Nationalists that the position is not believed to be recoverable even if U.S. aid on an expanded scale were immediately available."[11] By early November, even Ambassador Stuart had to concede that "no amount of military assistance...(will)...save (the) present situation in view of its advanced stage of deterioration..., early fall of (the) present Nationalist Government is inevitable."[12] The head of the Military Advisory Mission in China, General Barr, concurred.[13]

As a result, by the end of November, what had been the major preoccupation of American China policy since the end of the Second World War, i.e., how to sustain the Nanking Government, or, in a more negative vein, how to delay its demise, no longer remained the relevant focus for decision makers. Instead, Administration officials began to turn their attention to a series of new policymaking issues implied by the more general question of how the United States was going to adjust to the collapse and elimination of the Nationalist Government. What Administration officials had understood they would probably have to deal with

eventually, but which since 1946 they had worked to postpone for as long as possible, finally became by the end of 1948 their central policymaking problem: the necessity of composing American policy toward East and Southeast Asia in response to a Chinese Communist assumption of control throughout China and its presumed corollary, a significant extension of Soviet power and influence. By the beginning of 1949, the American effort to prevent Asia from becoming a second critical and expensive front in the worldwide conflict with the Soviet Union thus had run its course. The epicenter of the Cold War was in the process of shifting from the western to the eastern end of the Eurasian continent and American policies for containing Soviet power would have to be adjusted accordingly.

In context of this evolving situation, and with respect to existing American policy which was to continue to recognize and support the Nationalist Government, the Administration faced certain procedural problems of immediate importance, e.g., what type of controls should be exercised over the flow of American military and economic assistance to the mainland in view of the spreading collapse of Kuomintang resistance; should the United States diplomatic presence be retained in Communist controlled territories; should American citizens be evacuated from Communist held areas. However, the nature of the Administration's decisions on

these matters as well as in the case of other policy problems which would emerge over the next year and a half -- a topic which will be discussed in following next chapters -- can best be understood by first dealing with the existence and resolution of a broader issue concerning the tenor of American China policy as a whole.

By the Fall of 1948, the Administration began to receive considerable public criticism that it had "no clear cut policy" toward China and that in view of the deteriorating Nationalist position it was imperative to develop a more positive approach to the situation.[14] On the basis of domestic press opinion along these lines, a controversy within the Administration finally came to a head. This debate revolved around the general question of just how precise the Administration's policy planning ought to be with respect to fast moving events in China and centered on the specific operational issue of whether or not the Administration should be prepared to offer economic and military assistance to regional forces in China which, subsequent to a collapse of the Nationalist Government, demonstrated a capacity to resist effectively further communist advances.

The Department of Defense, and specifically the Defense Secretary, James Forrestal, who agreed with the "no policy" complaint,[15] argued that immediate decisions were necessary not only with respect to the broader strategic

outline of policy but also to include needed specific tactical directives in relation to future contingencies. Of special interest to the military establishment was the question of assistance to regional forces. In regard to the important goal of containing a further expansion of Soviet power, Defense seemed to continue to hold out hope that further infusions of economic, and especially military, assistance to some regional alternative to the Nationlist Government still might save at least the southern region of China from Communist control, that it was important to do this if at all possible in order to create a buffer against communist expansion into Southeast Asia, and that from this base of operations, American backed efforts could be launched with the intent of liberating Communist held territories to the north.

State Department officials accepted the essential strategic purpose of American policy as the obstruction of further expansion of Soviet power. A National Security Council draft report of early November 1948 put it this way: "The United States should seek to prevent China from becoming an adjunct of Soviet political - military power."[16] The problem, though, was how these purposes might best be achieved. In opposition to Defense, the State Department suggested generally that, while strategic planning was appropriate, even necessary, tactical contingency planning was premature and unrealistic in view of the extreme fluidity

and uncertainty of the situation in China. State's position also rested on the related assumption that the fundamental problem in formulating policy toward China under the circumstances in late 1948, and for the future, was political in nature and that little or nothing could or should be done militarily beyond what was being done already.[17]

Since this was the thinking that prevailed in determining the direction of Administration policy toward China throughout 1949 and into 1950, it is of considerable importance to look at the State Department's arguments. At the end of 1948, State officials were convinced that the United States could no longer influence the course of events on the mainland of China through continued programs of military and economic assistance. The defeat of the Nationalist Government was imminent and inevitable. And yet, until its defeat, officials did not question but that the United States would have to continue to recognize and support the Chinese government in the latter's hour of dire need.[18] Thus, it would be self-defeating of established policy and destructive of Nationalist morale and further will to resist for the Administration, by its actions, to encourage the emergence of some regional alternative to the Nanking government.

The Administration did require a policy, however, to compensate for the Nationalist collapse and for the purpose of containing Soviet power. And, with respect to

what officials believed was an extremely uncertain and fluid situation in China, State argued in favor of a policy of unrestrained maneuver; a policy free of whatever constraints which would reduce the Administration's capacity for taking advantage of any opporunities which might arise for obstructing further Soviet expansion. As the Director of the Policy Planning Staff, George F. Kennan put it, a policy that could be,

> ...translated into action on a day by day basis in accord with the changes of the moment. It cannot be explicitly defined on paper in a form which can serve as a guide for months or years ahead. It is outstandingly a matter which calls for operational skill and flexibility.[19]

State Department officials willingly agreed that it might be to the American advantage to support regional resistance to the Communists in some future situation and offered that the design of their proposed policy of maneuver or flexibility would include the possibility of moving in this direction if a genuine opportunity should arise.[20] However, the betting was that this would not prove to be the case. There was little, if any, reason to expect the emergence now of some more effective anti-communist alternative to the Nationalist regime. Once the Government on the mainland disappeared so would all effective resistance to Communist control.[21]

In China, Ambassador Stuart counseled against any preplanned eagerness to back anti-communist resistance. In late October he advised Washington that

> Any direct military aid to resistance groups on the theory that we are fighting communism all over the world would seem to me unwise. It would only delay their ultimate liquidation and would meanwhile arouse increased anti-American sentiment and expose our nationals...to danger. Transportation and other difficulties in reaching these resistance leaders and insuring proper use of our supplies would be enormous. The chief objection would perhaps be that this is one of negative or vacillating courses which we should at all costs avoid.[22]

The Director of the Office of Far Eastern Affairs, W. Walton Butterworth, agreed, further adding that "Unsuccessful efforts to support remaining anti-communist elements would be costly in terms of U.S. prestige and expenditure of further U.S. funds."[23] In general, State Department officials argued that in this instance the Administration would face the same dilemma as it had in the case of giving assistance to the Nationalist Government: on the one hand to give aid to a regional regime without direct American supervision probably would be wasted, while, on the other hand, to become involved in this way would draw the United States into the conflict, possibly precipitating a strain on the nation's limited resources and creating a basis for the convincing charge of American imperialism.[24]

The State Department, moreover, was ready to accept the consequences of earlier policy decisions which by the end of 1948 were coming due. Administration support of the China Aid Act had been predicated on the associated assumptions that China was simply not as important to the American national interest as other areas of the world, that because of this the Administration would be able to grant only limited assistance to the Nationalist Government, and that, as a result, continuing civil war would end eventually with a Chinese Communist victory.

Although this was a thoroughly unsatisfying prospect all along, the State Department had argued that there was no acceptable alternative, that China was not the place to commit American prestige in an effort to stem the communist advance. Thus in late November of 1948, a Policy Planning Staff Memorandum would state that,

> While the growing power of the Chinese Communists represents an important political development and a serious deterioration, from our standpoint, of the general situation in Asia, it is not likely to be catastrophic to United States interests.[25]

Because State officials believed everything possible had been done to sustain the non-communist position in China, so it followed that the United States would have to acquiesce in the Communist control of China.

But there was another angle to State Department thinking based on the assumption of the inevitability of the

Communist victory. Throughout the Fall of 1948 the view begin to develop that "preventing China's becoming an adjunct of Soviet political-military power" might depend on the ability of the Administration to operate subtly and effectively to encourage potential animosities and possible divisions between the Chinese Communist Party and the Kremlin. This consideration would remain throughout 1949 and into 1950 at the core of all decision making activity concerning the related questions of continuing American ties with the remnant Nationalist Government on Formosa and United States relations with the Communist regime on the mainland. Although these topics will be dealt with in detail in following chapters, it is important here to understand several of the assumptions on which this thinking was based and which began to emerge as key policymaking considerations even before 1949.[26]

At the end of 1948 there was no question but that the Chinese Communists were firmly entrenched in the Soviet camp and that for an indefinite period a Chinese Communist victory would mean an extension to Soviet power. However, State Department officials believed it quite possible that the future course of Soviet-Chinese Communist relations might produce a significant opportunity to drive a diplomatic wedge between the two. Though State officials were not altogether sure as to the precise nature of this opportunity, a Policy Planning Staff memorandum of early September

(and subsequently circulated as a National Security Council report) suggested the following scenario. The Soviet objective in China was to expand its influence. However, because Stalin did not have "much faith in human nature" and because of the unedifying "truancy of Comrade Tito", Soviet influence meant, in effect, bringing the Chinese Communist Party under direct Russian organizational control. Only thus would an endemically suspicious Kremlin feel secure in its relationship with a foreign communist organization.[27]

Yet it should not be ignored, the memorandum went on, that the Chinese Communists had risen to power on the basis of their exploitation of intense nationalistic/anti-imperialist public sentiment in China and indeed "had themselves been infected with Chinese patriotism". So long as the civil war continued the Chinese Communist Party leadership could justify their close Russian connection as a vital ingredient in the Party's ability to carry on the struggle to liberate China from "reactionary" and "imperialist" control.[28] Once the fighting was over, though, and if the Soviets moved to consolidate the control over the Chinese, thus intruding substantially into China's internal affairs, it could produce an explosive and exploitable situation. The Policy Planning Staff memo offered the following speculation:

> If the Chinese Politburo is revealed as subservient in any way to the Kremlin, the Chinese Communist leadership is in for

> difficulties from the powerful sentiments of nationalism and xenophobia, on the part of both the Chinese public and nationalist elements in the party.
>
> It is a nice piece of irony that at precisely the time the Chinese Communist leadership was most likely to wish to conceal its ties from Moscow, the Kremlin is most likely to be exerting upmost pressure to bring the Chinese Communists under complete control. The possibilities which such a situation would present us, provided we have regained freedom of action, needs scarcely be spelled out.[29]

There was, finally, another related aspect of State Department thinking concerning the importance of a policy of maneuver. With respect to the prospect of a Communist dominated China, a Departmental policy statement on China of late September observed,

> We (will) have to decide whether our interests lie in excluding Communist China from important areas of world trade or whether more can be gained by encouraging...China, without regard to political complexion, to participate in the international economy. The position of the United States in Japan, coupled with Japan's important pre-war reliance upon China, including Manchuria, for markets in raw materials, will give this issue more than ordinary urgency.[30]

Only by maintaining flexibility of approach to events in China, State Department officials argued, would the Administration be in a position to decide this issue one way or another and in relation to the best interests of the nation at the time.

Those in the public at large, in Congress, as well as within the Administration, who might have desired a more positive commitment to save Chiang's regime in late 1948 were fated for disappointment. By the beginning of 1949, the arguments presented by the State Department had prevailed in the "no policy" controversy concerning the Administration's approach to China. Strategic necessity precluded any genuine possibility of moving in another direction. The risks of any sort of expanded American commitment in China in the waning moments of 1948 were enormously greater than they had been earlier in the year and in late 1947 when the Administration had developed its cautious policy of limited assistance toward the Nationalist Government.

Thus, the National Security Council would propose in mid-January of 1949 that if it was the major goal of United States policy "to prevent China from becoming an adjunct of Soviet power" then two major strategic considerations would have to be kept in mind while formulating policy. First, there was no question but that the decision makers would have to continue as they had all along to "regard efforts with respect to China as of a lower priority than efforts in other areas where the benefits to U.S. security are more immediately commensurate with the expenditures of U.S. resources." In order to fulfill this requirement, however, while at the same time maximizing the potential for achieving American goals in China, the Administration would

have to, "make appropriate plans and timely preparations in order to exploit opportunities in China while maintaining flexibility and avoiding irrevocable commitments to any one course of action or to any one faction."[31] Although the wording of this latter NSC statement might appear as though something of a compromise between the positions of State and Defense, in fact, as it will be demonstrated, the Administration throughout 1949 and into 1950 clearly was inclined to stress the virtues of "flexibility" and "avoiding irrevocable commitments" rather than "making appropriate plans and timely preparations" in formulating policy.

A good measure of the desire of Administration officials to create those conditions which would allow them to sustain a policy of flexibility is to survey the intragovernmental discussion in 1949 concerning the question of issuing a documented public explanation of United States policy toward China over the previous several years, the so-called China White Paper. A footnote in Volume IX of the 1949 issue of the Foreign Relations series states that there is no information concerning the origin of the proposal that a White Paper be published.[32] However, there are strong indications that the sources were several.

First, the Policy Planning Staff in the Fall of 1948 suggested that to gain flexibility the Administration would have to pay some attention to educating domestic public attitudes in the proper direction. A late November PPS Memorandum observed that,

> Of major importance at present in the problem of our relations with China are the confusion and bewilderment in the public mind regarding our China policy. It is now less important to cover up the inadequacies of the Chinese government than it is to regain the understanding and confidence of the American public, without which we cannot effectively implement policy.[33]

On the basis of this evaluation, the memo proposed that,

> All of the facilities of the Executive Branch of the Government should be used to get before the public, and keep before the public, a uniform and consistent presentation of the background of U.S.-Chinese relations. The Department of State should take the lead in preparing the necessary materials.[34]

In response to these suggestions, however, the President was worried that a public revelation concerning the nature of past United States-Nationalist relations would have a negative effect on the situation in China, and that he did not want "to be responsible for (an) announcement that would, in effect, virtually destroy the influence of Chiang Kai-shek." Secretary of State George C. Marshall subsequently advised that action on this aspect of the Policy Planning Staff memo would be delayed.[35]

However, in early February of 1949, 51 Republican Congressman signed a letter to the President intimating the inadequacy of American China policy to date and demanding that an official investigatory commission be sent to China to survey conditions and to make a report. Though the Administration refused to sanction such a commission, the

new Secretary of State, Dean Acheson, did agree to meet with the Congressmen in late February to chat with them about China policy and to answer their questions.[36]

Unfortunately, the result of the meeting was not very edifying from an official point of view. Secretary Acheson told the Congressmen that they should not view a Chinese Communist victory in China as a serious reversal for American interests, that China was not a modern and well organized nation which could be expected to have a significant material impact on the international power balance for a considerable time to come.[37] Actually, the Secretary rather candidly was sharing one of the considerations which over a year before had contributed to the decision by policy-makers to reduce the China area to a secondary level of importance in the scheme of global-strategic planning. However, the Secretary's observation, made out of context, could not have made a very favorable impression on the group assembled, many of whom knew little or nothing about the full complex of the planning of China policy over the years; on those who for personal or partisan political reasons conveniently preferred to ignore the difficult, almost insoluble, dilemmas which the Administration faced in formulating China policy; or on those, some of them "Asia-firsters" with a sentimental view of American Chinese relations, who were genuinely disturbed by the accumulating successes of "international communism" and by the prospect

of yet another communist victory in a country which, at least in size and population, if not in location, appeared important.

It was also in this meeting in which Acheson made the subsequently well publicized remark that because of the uncertainty of the situation in China about all the Administration could do for the time being was to wait and "let the dust settle" to see what opportunities might arise. Again the Secretary was merely being frank about the Administration's view as to the best policy for the moment, though as he later admitted the comment had an altogether unanticipated and unwanted effect on the Congressmen.[38] Apparently, many left the meeting further convinced of the accuracy of the "no policy" accusation against the Administration's handling of the situation in China. On top of this, also in late February, Senator Pat McCarran of Nevada introduced into Congress a bill calling for $1.5 billion in aid to China, proposing as well that United States military personnel be assigned to command Nationalist forces.[39]

Apparently it was in response to these two episodes that the Administration in late February or early March decided to reopen the question of going public on China, in the heat of the moment primarily as a means of countering the critics.[40]

From the very first the White House was concerned to release an accurate and information rich publication.

Only in this way could public criticisms of Administration policy be effectively answered. Any effort at subterfuge, whitewash, or excessive pro-Administration editorializing would work to the advantage of the critics. The documents clearly reveal a continuous White House concern for accuracy, the responsibility for monitoring the work falling to the Special Counsel to the President, Clark M. Clifford. There simply was a great deal of faith in the truth, a belief that if the real story were told the critics whatever their motives, would find it much more difficult to mount successful attacks on Administration policy based on ignorance, misinformation, emotion or partisan politics.[41] As the Director of the Office of Far Eastern Affairs stated the situation in reverse perspective,

> It occurred to me that an approach might be made to Senator Vandenberg to the effect that, in the interest of preserving and possibly extending the area of bipartisan foreign policy, if his party in Congress would refrain from ex parte attacks on the Government's China policy, the issuance of the White Paper would be delayed indefinitely or at any rate until such a time as the National Government was no longer functioning in an important area of China.[42]

The truth, however, was important for a related reason. The public needed to be educated in the problems which the Administration had faced in formulating its China policy. The public needed to know why the Administration, as a matter of its public responsibility to promote the

national interest, had declined to risk an excess of American manpower and resources in defense of such a corrupt and maladministered Nationalist regime and in context of a situation in China ultimately not subject to successful manipulation by outside influences. Thus, by satisfying the public as to the necessity and correctness of past policy, the Administration could proceed to implement and maintain its present policy of flexibility based on the legitimizing force of the White Paper. And, any future efforts by citizens or Congressional groups to pressure the Administration into developing policies toward China, considered by officials to be unrealistic or irresponsible, could be countered more effectively.[43]

Although this is a topic which will be dealt with in detail in the remaining chapters, it is pertinent here to make two important observations concerning the Administration's desire to implement a policy of flexibility and maneuver toward the uncertainty of the situation in China. First, the Administration's sense of necessity in establishing a basis for such a policy was predicated on the belief that this would be the best way to obstruct any further expansion of Soviet power in Asia. However, it is important to understand that a major reason why Administration officials believed this to be true was their knowledge that, the United States still was not in a position to use force to prevent Communist success under any and all circumstances.

Budgetary limitations, a resulting lack of available resources which could be deployed in support of foreign policy objectives and the need to apply the amount available in areas of the world more important to the national security than the Far East, continued until the Korean War to be very important considerations defining the American commitment in East and Southeast Asia.

Moreover, officials also continued to be reluctant to accept the liabilities which they believed an American military involvement on the Asian mainland would prove difficult to avoid. The Soviets, the Chinese Communists and others invariably would charge the United States with imperialism. The nation's prestige and credibility as the champion of the principle of self-determination for all peoples could be compromised. More significantly, it would enhance Russian prestige, the credibility of Soviet anti-imperialist rhetoric and sustain the basis for the international communist movement continuing to identify successfully with Asian nationalists and anti-Western sentiment. Not only would the United States find itself in an increasingly unpopular, isolated and ineffectual position in Asia but, in that event, might start West European allies to wondering about the wisdom of maintaining close international affiliations with a nation willing to undertake such counter productive involvements, and to dissipate its strength, in an area of the world which was of lesser strategic importance.

In one respect, therefore, the nature of the policy of maneuver may be characterized as having been a compensation for the Administration's inability and unwillingness to risk limited American manpower and resources in a major confrontation with Soviet inspired international communism on the mainland of Asia. In the absence of an American capacity to do this, officials decided they could not commit themselves a priori to any particular course of action toward China.

The second major observation concerning this policy of flexibility and maneuver is that, despite official lip service to the possibility of driving a diplomatic wedge between the Kremlin and the Chinese Communists as a means by which to reduce or eliminate Soviet influence in China and despite a desire to maintain, as a part of policy, some capacity for doing so, the fact of the matter is, policy-makers never paid serious attention to this as a genuine policy option in 1949 and into the Summer of 1950. As later chapters will show there were multiple reasons for this, not the least of which was the belief that for the indefinite and undoubtedly distant future, the Chinese Communists would continue to act as reliable agents of Soviet inspired international communism. Thus, the Administration's assessment of the requirements for containing Soviet power in Asia meant, in effect, containing Chinese Communist power as well. From the American point of view, therefore, better

relations with the Chinese Communists was a remote, virtually non-existent, possibility in the year or so prior to the Korean War.

With the above two observations in mind, the point to make here is that regardless of the more precise implications of the terms -- maneuver, flexibility, opportunistic -- which have been used to describe the nature of the policy which American officials conceived for dealing with those circumstances created by the collapse of the Nationalist Government in China in late 1948 and into 1949, in reality the Administration's actual capacity to maneuver was limited. Little opportunity existed for exploring the potentially important option of developing better relations with the Chinese Communists because of strong inhibiting Administration presumptions against doing so. In other words, despite the implications of their purpose in developing a policy of maneuver, Administration officials were not able to translate the intent of that policy into specific operational procedures for taking advantage of all the opportunities which, it might be argued in retrospect, may have existed in 1949 and 1950 for containing or diminishing Soviet power and influence in East Asia and China.

However, with respect to this assessment, it is important to reemphasize that the perceived necessity of instituting a policy of maneuver in the first place, was predicated on the Administration's belief that it did not

possess the option of making a major effort to obstruct forceably a further communist expansion in Asia without at the same time incurring what appeared would be enormous and unacceptable risks. In view of this crucial factor, therefore, it may be accurate to suggest in the presence of more objective criteria, that in developing their policy Administration officials were less interested in achieving a condition of maximum flexibility, if measured in absolute terms, than they were to insure relatively greater freedom of action than those individuals and groups in the public and in Congress wished to allow by advocating a further American commitment to China to include an exclusive and continuing program of support to a defeated and discredited regime -- a course of action which many in the Administration felt would minimize the American potential for containing Soviet power in Asia.

But the question remained, when and under what circumstances should the White Paper be released? There were several considerations on this score. Of considerable importance was the problem of what impact publication of the document would have on the ability of the Nationalist regime to continue to resist total communist control in China. Apparently, virtually until the time the White Paper was issued in early August, many in the State Department, including the Director of the Office of Far Eastern Affairs advised against release, arguing that it would have the

effect of hastening the regime's collapse by implying that the end was near and that the United States was cutting its losses; that it would be better to delay publication until the Kuomintang was clearly crushed as a force on the mainland.[44]

Having been consulted on the question of the White Paper, some members of the Senate Foreign Relations Committee agreed that its publication could have a critical impact on Chinese government and morale; and the ranking Republican member of the Committee, Senator Arthur H. Vandenberg, argued that it ought to be kept from public view for the time being.[45] The Joint Chiefs of Staff also displayed reticence on this score, expressing several further reservations against its hasty release. One was that the material contained in the White Paper should not have the effect of compromising the United States cryptographic security.[46] The question was submitted to the responsible agency, the United States Communications Intelligence Board, which, after surveying the document, dismissed the objection.[47] Another JCS concern was that the White Paper not be released until all intimations of United States strategic thinking about future policy toward East and Southeast Asia were expunged from the text.[48] It does not appear that any significant alteration of the report was undertaken on the basis of this recommendation.

The JCS also raised the more general issue of whether or not the White Paper ought to be released at all. They voiced concern that its publication might result in restricting the Administration's freedom of action in responding to future opportunities and developing future policies "for containing or reversing the communist trend in China." Their thinking also related to the suggestion that because the document contained so much negative commentary about the Nationalist Government it might cause great resentment in China and as a result eliminate any continuing basis for Chinese-American cooperation and, as well, produce such a derogatory image of the Chinese that the American public might be disinclined to support any further policies toward the China area.[49]

In addition to the JCS arguments, there had been a general reticence on the part of officials to release the report if it appeared that to do so might have adverse consequences for some critical series of events in China. For example, subsequent to Chiang Kai-shek's January 1949 flight from the mainland, Li Tsung-jen had assumed the Presidency of the Nationalist Government in Nanking. Grasping at straws in the face of a steadily deteriorating situation and in the last ditch hope that successful negotiations might result in the retention of some non-communist influence in a coalition government, Li responded to a January eight-point peace proposal by the Chinese Communists by

sending a delegation to Peking for discussions beginning in mid-February. In view of this effort by Li's government American officials were careful that what the Administration did publicly with respect to the question of China policy would not have the effect of weakening the bargaining position of the Kuomintang peace delegation. By the latter part of April, however, this situation no longer remained to deter Administration actions as the Peking discussions ended with the Communist crossing of the Yangtze River in a renewed offensive to consolidate their control in central and southern China.

The Administration also refused to consider publication for a time in the Spring of 1949 because of the possible negative impact on Kuomintang resistance to a Communist occupation of the strategically and symbolically important Shanghai-Nanking area. However, with the Communists in full control of central China this problem no longer remained and by mid Summer there was no particular set of compelling circumstances in China which appeared to officials in Washington to warrant further delay.

Moreover, neither the President nor the Secretary of State desired further debate on the question of the White Paper's release and by late July both were disposed to proceed in spite of the reservations posed by the Joint Chiefs.[50] The necessity of establishing a basis for the policy of flexibility remained the foremost consideration in

their thinking. In a memorandum to the President, the Secretary observed,

> It is impossible to deny that there are certain risks involved in the publication of such a document. On the other hand, the basic necessity of informing Congressional and public opinion regarding the facts in order that future policy may be made on the basis of realism and comprehension of the situation is believed to outweigh the risks of the situation.[51]

The only problem which remained was to insure that release of the White Paper not result in recriminations against the American Ambassador in China, John Leighton Stuart. Restraint would be necessary until his scheduled departure from the country in early August.[52] With the Ambassador out, the White Paper was released on the 5th.

It is apparent that the President's sense of urgency to release the report at the time was determined almost wholly by the desire to deflect further domestic criticism of the Administration. By late July and early August the need to relieve public pressures on the Administration's conduct of policy toward East Asia simply overshadowed all other considerations in the eyes of the White House. From the beginning of 1949 criticism or implied criticism had continued unabated. Already mentioned were the February episodes concerning the unsuccessful Acheson meeting with the 51 Congressmen and the McCarran proposal for $1.5 billion in aid to China. Moreover, through the Winter and into the Spring of 1949, in addition to the one

made in the letter from the 51 Congressmen, the Administration received a number of other requests that an investigatory commission be sent to China and based on its findings to make a public report for the purpose of establishing the essentials for adopting a more "positive" policy toward East Asia.[53]

In early April, the House Foreign Affairs Committee, long an active hotbed of attacks on China policy, issued a "Report of Minority Views" critical of the Administration's and the State Department's handling of funds allocated under the China Aid Act of 1948. The report charged unnecessary delay in developing legal authorizations for procurement and then in delivering military supplies to China, implying that this delay at such a critical time might have been directly related to the Kuomintang's inability to defend successfully against the advance of communist forces. Conveniently ignoring the mood of Congress in passing the China Aid Act in April of 1948, a mood which was clearly disinclined to allow the American military advisory group in China to become involved in a manner comparable to the combat active advisory status designated in the Greek-Turkish military aid program, the minority report blithely went on to complain that the State Department had deliberately restrained United States military personnel, presumably from doing in China what the Congress had expressly prohibited in the first place.[54]

In late April the Republican Senator from California, William F. Knowland, a member of the Senate Foreign Relations Committee, called for a congressional investigation of United States Far Eastern Policy. Within a few days, Senator Styles Bridges, also a Republican and a member of the Committee, made the suggestion that the State Department ought to be investigated for having advocated policies designed to sabotage the Nationalist Government.[55] Then in the early part of May, General Claire L. Chennault, the retired former wartime Commander of the United States Fourteenth Air Force in China, approached the State Department with the suggestion to expand the American commitment in China for the purpose of backing regional resistance in those areas of the country not yet under Communist control.[56] Not satisfied with his gesture alone, however, and in hopes of bringing overwhelming public pressure to bear in support of his proposal, the General took his case before an executive session of the House Foreign Affairs Committee, finally releasing the plan in detail to the press.[57]

In view of these accumulating and unrelieved pressures and since it had become public knowledge that the Administration was preparing a background report on China policy -- in late July the House Committee on Foreign Affairs urged its immediate release -- there was considerable concern by some in the Administration, including the Secretary of State, that a decision not to publish would be

interpreted as an Administration cover up and hence a catalyst to renewed attacks.[58] Thus, it seemed by late July that there was no alternative but to go ahead with plans for publication. It is pertinent to note, however, a late July statement by the Secretary of State, that in making the decision to release the White Paper, "Consideration of this element (i.e., a decision not to publish would bring renewed attacks)...has not been allowed to outweigh the more basic factors indicated by the National Military Establishment."[59] (parenthesis added)

As result of this several months of discussion concerning the release of the White Paper the Administration attempted to create a favorable political milieu for the successful implementation of its policy of maneuver in another way. In late July, on the floor of the Senate, Senator Vandenberg called on the Executive to begin to consult more closely with Congress on Far Eastern policy.[60] Taking up the suggestion as a possible means by which to reduce Congressional pressure on Administration policy, especially from the Republican party, Secretary of State Acheson sought advice from the Democratic Chairman of the Senate Foreign Relations Committee, Tom Connolly of Texas. The Senator suggested that indeed it would be a good idea to consult with the Congress, that the Senate Foreign Relations Committee would be an appropriate mechanism for doing so, and that generally it would be very useful, as he put it,

"to get the Republicans in".[61] From the very early Summer of 1948, then, the Administration did begin to display some greater willingness than before to talk with members of Congress about the nature of its policy towards East and Southeast Asia.

However it is important to stress that this tendency to be more expansive with Congress should not be taken to imply that policy was being formulated on the basis of Congressional demand. Indeed the procedure of consultation must be understood not as a measure of the Administration's capitulation to Congressional pressure to move in some direction contrary to preferred policy but the means by which decision makers hoped to convince Congress of the necessity to accept their own policy of flexibility. The Administration, as it had since 1945, continued to display slight disposition to make any significant concessions to public sentiment concerning China in view of the multiple strategic considerations which eliminated the possibility of the type of American involvement in East Asia which pro-Chiang Kai-shek enthusiasts and Asia-firsters would have preferred.

[1]C.I.A. Situation Report, S.R. No. 6/48, 17 June 1948, p. 9, file 77/180A, DDRS.

[2]Possible Courses of Action for the U.S. with Respect to the Critical Situation in China, 26 July 1948, F.R., 1948, VIII, 121.

[3]Ibid., 122.

[4]Ibid., 122.

[5]Ibid., 122.

[6]Memorandum by the Deputy Director of the Policy Planning Staff, 27 July 1948, ibid., 124.

[7]Memorandum by the Director of the Office of Far Eastern Affairs to the Secretary of State, 2 August 1948, ibid., 128.

[8]Memorandum by the Joint Chiefs of Staff to the Secretary of Defense, 5 August 1948, ibid., 132.

[9]Ibid., 134.

[10]See, for example, The Ambassador in China to the Secretary of State, 22 October 1948, ibid., 505-508; the Ambassador in China to the Secretary of State, 26 October 1948, ibid., 518-520.

[11]C.I.A. Situation Report, S.R. No. 10/48, 20 October 1948, p. 9, file 77/181A, DDRS.

[12]The Ambassador in China to the Secretary of State, 6 November 1948, file 75/86B, DDRS.

[13]General Barr reported in December of 1948 that, "...the Nationalist military forces will be defeated in the immediate future and the National Government forced to leave Nanking or be overthrown." Barr went on, "...further military and economic aid will have little effect now or in the future." Director, Joint United States Military Advisory Group in China to the Department of the Army, 18 December 1948, File R/259C, DDRS.

[14]By late November 1948 the Administration clearly was concerned aboutpublic confusion regarding American China policy, see, for example, The Director of the Policy Planning Staff to the Secretary of State, 26 November 1948, F.R., 1948, VIII, 214; Memorandum by the Secretary of State to the Under Secretary of State, 26 November 1948, ibid., 220; Memorandum by the Director of the Policy Planning Staff, 24 November 1948, ibid., 211.

[15]See, Millis, Forrestal Diaries, 517, 525.

[16]Draft Report by the National Security Council on United States Policy Toward China, 2 November 1948, F.R., 1948, VIII, 186.

[17]Memorandum by the Director of the Policy Planning Staff to the Secretary of State, 30 November 1948, ibid., 224-225.

[18]Memorandum by the Secretary of State to the Under Secretary of State, 26 November 1948, ibid., 220; The Director of the PPS, George Kennan wrote in late November that, "The disappearance of the Chinese National Government, as now constituted, is only a matter of time and nothing we can realistically hope to do will save it." Despite this unrelieved pessimism, however, there was no question but that "We should continue to recognize the National Government as now constituted." The Director of the Policy Planning Staff to the Secretary of State, 26 November 1948, ibid., 214-215, 215fn; see, also, Millis, Forrestal Diaries, 534.

[19]Memorandum by the Policy Planning Staff, 23 November 1948, F.R., 1948, VIII, 210-211.

[20]Ibid., 208-211.

[21]In November the C.I.A. reported that, "Within China it is unlikely that any action taken by the U.S. can reverse an unfavorable trend." C.I.A. Situation Report, S.R. No. 11/48, 17 November 1948, p. 2, file 77/181B, DDRS. In December the Agency suggested that, "...no solution can be foreseen in China beyond a gradual accommodation with Communist power." C.I.A. Situation Report, S.R. No. 12/48, 16 December 1948, Summary, file 77/181C, DDRS.

[22]The Ambassador in China to the Secretary of State, 26 October 1948, in U.S. Dept. of State, Foreign Relations of the United States (Washington, D.C., 1973), VII, 518. Hereafter cited as F.R., 1948, VII.

[23]Memorandum by the Director of the Office of Far Eastern Affairs to the Acting Secretary of State, 3 November 1948, F.R., 1948, VIII, 189.

[24] Ibid., 187-189; see also, Memorandum by the Policy Planning Staff, 23 November 1948, ibid., 208-211.

[25] Ibid., 208; Such an attitude, it should be emphasized, was no mere rationalization after the fact, but reflected a genuine belief that from a purely military-strategic standpoint, the "loss of China" would not have unacceptable consequences with respect to vital U.S. interests. The C.I.A. observed that "...the conversion of China into an effective center of power assumes that China possesses - in unexploited form - the fundamental attributes of a modern power. This assumption is considered

questionable." C.I.A. Situation Report, S.R. No. 11/48, 17 November 1948, p. 5, file 77/181B, DDRS.

[26]See Chapter XI.

[27]Memorandum by the Policy Planning Staff, 7 September 1948, F.R., 1948, VIII, 148.

[28]Ibid., 153.

[29]Ibid., 153-154.

[30]Department of State Policy Statement on China, 27 September 1948, ibid., 620.

[31]Draft Report by the National Security Council on United States Policy Toward China, 11 January 1949, in U.S. Dept. of State, Foreign Relations of the United States (Washington, D.C., 1974), IX, 475. Hereafter cited as F.R., 1949, IX.

[32]See, "Publication of China White Paper", ibid., 1365fn.

[33]The Director of the Policy Planning Staff to the Secretary of State, 26 November 1948, F.R., 1948, VIII, 214.

[34]Ibid., 215.

[35]Ibid., 215 fn.

[36]See, Westerfield, Foreign Policy and Party Politics, 347; In a February 15 meeting with the President it was decided Acheson would meet with the Congressmen in person rather than have the Administrative issue a public response. Memorandum of Conversation with the President, 15 February 1949, Box 64, Acheson Papers, HSTL; Acheson later revealed that the reason it was decided he should meet with the Congressmen privately was because of the fear that if the Administration went public on the matter it would hasten Chiang Kai-shek's collapse. It was, Acheson observed, "...a problem which bothered General Marshall very much. That was, how did you solve the difficulty of trying to support a very weak and failing ally, who was failing chiefly because of his own incapacity and ineptness, how did you reconcile doing that with your duty to keep the people of a Democracy informed of the facts and informed of what was happening." Notes on China, 23 July 1953, Princeton Seminars, Acheson Papers, HSTL.

[37]See, Gaddis Smith. Dean Acheson. Robert H. Ferrell and Samuel Flagg Bemis. The American Secretaries of State and Their Diplomacy. Vol. 16 (New York: Cooper Square Publ., 1972), 112-113.

[38]Acheson said he intended the statement to mean that "as the great oak falls" you have to wait until the "dust settles". He did not intend that the statement would be taken as evidence that the Administration had a "do-nothing" policy on China. Notes on China, 23 July 1953, Princeton Seminars, Harry S. Truman Library, Independence, Mo; The documentary evidence clearly supports his explanation of the intent involved in making the remark. In reading Acheson's comments to the Congressmen, which were written on a yellow legal pad, one can understand, though, how his phraseology might have been misinterpreted by a generally hostile audience. Having observed that China was in a state of absolute "morass" and that a stable, unified China was several years away, Acheson concluded by saying "We cannot tell what the next step is until some of the dust and smoke of the disaster clears away and we can see where there (is) a foundation on which to build." Handwritten notes by Secretary of State Acheson, 24 February 1949, Box 64, Acheson Papers, HSTL.

[39]See, Smith, Dean Acheson, 113-115; Westerfield, Foreign Policy and Party Politics, 347-350.

[40]Acheson later claimed this was the case. Notes on China, 23 July 1953, Princeton Seminars, Harry S. Truamn Library, Independence, Mo.; In an oral history interview in 1974, Philip D. Sprouse (in 1949, Director of the Office of Chinese Affairs) claims that W. Walton Butterworth originated the idea of a "white paper" so that "you would have an objective story of American policy during this period, an objective picture, an honest picture, which had to stand up historically. The idea was that this would be published only well after the event, that is after the National Government's defeat and the Chinese Communist takeover. And Butterworth issued specific instructions that this thing had to tell the whole story objectively, hide nothing, because it had to stand up historically. It couldn't be a partisan, political, apologia for the Democractic administration of that day." Philip D. Sprouse, Oral History Interview, 11 February 1974, pp. 48-49, HSTL.

[41]Acheson later confirmed that the White Paper was intended to tell as accurate a story of China policy as possible. "And I discussed the whole matter very fully with the President, and the President was clear that if I was satisfied that this document was a thorough, honest, scholarly document, it should be brought out." Notes on China, 23 July 1953, Princeton Seminars, HSTL; See, Smith, Dean Acheson, 120.

[42]Memorandum by the Director of the Office of Far Eastern Affairs to the Secretary of State, 15 July 1949, F.R., 1949, IX, 1373.

[43]Although he obviously did not feel the White Paper a cure-all to the Administration's problem in this regard, John P. Davies, Jr., a member of the Policy Planning Staff, had the following observation to make on the subject of the White Paper in early July of 1949, "It is apparent that in the American public mind our policy toward Asia is

suffering from an acute case of negativism. That the objective situation in East and South Asia does not permit a wide range of solid action on our part is not adequately understood and, even if it were, would not satisfy the demand in the American nature for "positive action". The White Paper on China may do much to provide a rational explanation for our policy of disengagement in China. We have little to be ashamed of in that record and much of which to be proud. While the White Paper will go far toward justifying our policy toward China and quiet most of our critics, it will also probably provide some fuel for the more extreme partisan critics of our policy in the Far East. Furthermore, the issuance of that paper will be, essentially, another negative act. The public may say, 'Very well, you were right in not doing anything, but where do we go from here?'" So as to offset this potentially "negative" effect of the White Paper's release and to give the event a needed upbeat tone, Davies then went on to suggest a series of proposals to include the one that, "The President should one day prior to the issuance of the White Paper on China make a speech in which he points up the main conclusions to be drawn from the White Paper and sets forth in broad, affirmative, confident tones the future course of our policy with respect not only to China but also to East and South Asia." Paper Drafted by Mr. John P. Davies, Jr., of the Policy Planning Staff, 7 July 1949, in U.S. Dept. of State, Foreign Relations of the United States (Washington, D.C., 1976), VII, 1148-1149. Hereafter cited as F.R., 1949, VII.

[44]See, Smith, Dean Acheson, 118; Notes on China, 23 July 1953, Princeton Seminars, Acheson Papers, HSTL; Memorandum by the Acting Director of the Office of German and Austrian Affairs to the Secretary of State, 25 July 1949, F.R., 1949, IX, 1383-1385.

[45]Memorandum by the Director of the Office of Far Eastern Affairs to the Secretary of State, 15 July 1948, ibid., 1373-1374.

[46]Memorandum by the Joint Chiefs of Staff to the Secretary of Defense, 21 July 1949, ibid., 1378.

[47]The Secretary of Defense to the Secretary of State, 27 July 1949, ibid., 1387.

[48]Memorandum by the Joint Chiefs of Staff to the Secretary of Defense, 21 July 1949, ibid., 1380.

[49]Ibid., 1379-1380; See, also, Memorandum by the Secretary of State to President Truman, 29 July 1949, ibid., 1389.

[50]Acheson later revealed that Truman was extremely anxious to get the White Paper out by the end of July. Notes on China, 23 July 1543, Princeton Seminars, Acheson Papers, HSTL; In two late July 1949 memorandums Acheson describes a very insistent President on the matter of releasing the White Paper, notwithstanding the reservations posed by the

Joint Chiefs of Staff. Memorandum of Conversation with the President, 25 July 1949, and, Memorandum of Conversation with the President, 29 July 1949, Box 64, Acheson Papers, HSTL; See also, Memorandum by the Secretary of State of a Conversation with President Truman, 18 July 1949, F.R., 1949, IX, 1374; Memorandum by the Secretary of State of a Conversation with the President, 21 July 1949, ibid., 1377.

[51]Memorandum by the Secretary of State to President Truman, 29 July 1949, ibid., 1389.

[52]Ibid., 1390.

[53]See, Memorandum by the Director of the Office of Far Eastern Affairs to the Secretary of State, 7 February 1949, ibid., 485; Memorandum by the Assistant Secretary of State to the Under Secretary of State, 4 April 1949, ibid., 509-511, 509fn. Most of these "commission" suggestions came from persons or groups who hoped to force the Administration into greater support for the Nationalist Government. All were ignored. On the other side of the ledger, Representative John McCormick (Demo., Mass.) suggested a "fact finding mission" as a means by which the Administration might find "a way out that would not involve us in lining up either with a communist takeover or with further large-scale aid that might prove useless". Letter from Rep. John McCormick to President Truman, 28 March 1949, Box 173/China File-1949, Truman Papers, HSTL. Whether McCormick realized it or not, his suggestion put in a nutshell the already existing Administration policy. The President's polite rejection of McCormick's suggestion followed from Truman's observation that, "We must maintain a flexible position in which we can deal with the situation in China as it develops". Letter from President Truman to Rep. John McCormick, no date, early April (?) 1949, ibid.

[54]The Secretary of State to the Chairman of the House Committee on Foreign Affairs, 13 April 1949, F.R., 1949, IX, 513-515.

[55]See, McClellan, David S. Dean Acheson: The State Department Years, (New York: Dodd, Mead, and Co., 1976), 190.

[56]See, Transcript of Conversation, 11 May 1949, F.R., 1949, IX, 520-523.

[57]See, Memorandum by the Under Secretary of State to the Executive Secretary of the National Security Council, 24 August 1949, ibid., 540-541; For a transcript of Chennault's remarks to the House committee, see, U.S. Congress. House Committee on Foreign Affairs. Hearings, Mutual Defense Assistance Act of 1949. 81st Cong., 1st Sess. 1949.

[58]Memorandum by the Secretary of State to President Truman, 29 July 1949, F.R., 1949, IX, 1389.

[59] Ibid., 1389.

[60] Memorandum of Conversation by the Assistant Secretary of State for Congressional Relations, 19 July 1949, ibid., 1375.

[61] Ibid., 1375.

CHAPTER IX

THE POLICY OF MANEUVER: ASPECTS OF IMPLEMENTATION ON THE CHINESE MAINLAND, SEPTEMBER 1948 - JUNE 1950

A belief in the importance of continuing to recognize and support the Nationalist government despite the spreading collapse of Kuomintang resistance provided the backdrop for the Administration's decision to dispense with the previous American policy of limited assistance to the regime and to replace it with a more flexible and opportunistic approach toward the uncertain course of events in China and throughout the region. It is of considerable relevance to an understanding of the rather complicated nature of the Administration's China policy in 1949, however, to note that despite formulation of a policy which officials hoped would maximize their capacity for achieving Cold War goals in Asia in the wake of a Chinese Communist assumption of control throughout the country, the question of new and expanded programs of military assistance to China continued to be discussed throughout most of the year. Before turning to a discussion of the specific procedural problems which the Administration faced in implementing its policy of maneuver, therefore, it would be of some benefit first to deal with this rather involved subject.

There were several reasons why the issue of new programs of military assistance to China continued to intrude into the policymaking environment in 1949. For one thing, demands in Congress and in the public at large that the Administration make a stand in East Asia against any further Communist advance kept the issue alive and vital. In late February Senator McCarran brought forward his $1.5 billion proposal and a little more than two months later Claire Chennault approached the State Department and Congress with his optimistic plan for preventing Communist control in South and Southwest China.[1]

Subsequently releasing it to the public, the retired air force general revealed a plan which again argued the feasibility of sending an American military advisory mission to mold remnant Nationalist and other indigenous forces into an effective fighting unit capable of denying further Chinese Communist victories. Fully responsible for supply and planning down to the company level, the military mission would be supported logistically by Chinese and foreign commercial airlines operating on the East Asian mainland. The plan further called for a program of full air support for ground operations plus continuing American economic assistance to those regions to be defended.[2]

The Chennault plan found an important ally when in early September the commander of American Occupation Forces

in Japan, General Douglas MacArthur, made a series of provocative comments about China policy in a meeting in Tokyo with a group of visiting Congressmen. Quite inaccurately, the General suggested that the fighting ability of Chinese Communist forces was vastly overrated and that in reality little effort would be required in order to reverse the unfavorable trend of events in China. MacArthur proposed that the Administration first should make a "ringing" declaration that "the United States will support any and everyone who is opposed to communism." He then argued that the United States should allow American mercenaries, "volunteers", to form a fighting force to go to China, that 500 fighter planes be placed under the command, as he put it, of "some war horse" like Chennault, and that surplus American ships be delivered to the Nationalist navy for the purpose of blockading and destroying Chinese coastal cities. These measures, MacArthur implied to the Congressmen, would be adequate to halt, even roll back, the Communist menace in China.[3]

MacArthur's rather simplistic assessment was soon followed by other public pressures on the Administration to formulate new plans for military assistance to China. During the general legislative debate concerning military assistance to foreign countries, the China bloc in Congress managed to engineer a negative vote on funds requested by the Administration for aid to the South Korean government.[4]

In response, and, as Secretary of State Acheson revealed years later, for the express purpose of gaining Congressional approval for the Korean funds, in early October the Administration agreed to include in the Mutual Defense Assistance Bill of 1949 a proposal that $75 million be made available for use "in the general area of China."[5] What this did was to create for the first time since the China Aid Act of 1948 a pool of additional monies available for use in China, thus naturally renewing the question of developing new programs.

However, the issue of further military assistance to China remained a part of the policymaking environment in 1949 for more significant reasons than the one of public pressure. Of central importance was the determination by both the State and Defense Departments of the necessity of undertaking extensive reviews of United States Far Eastern policy. It appears that between the two there existed some variety of motive in doing so.

On the part of State, the intent of the review was consistent with the Administration's purpose in releasing the White Paper. Determined to recognize all possible options thus to remain flexible on the question of China policy, a special review committee was formed in the early part of August for the purpose of examining the full range of Far Eastern policy, past and present. Referred to as the Committee of Three, the group included Ambassador-at-Large

Philip C. Jessup, Everett Case and Raymond B. Fosdick. The latter two had been retained by the State Department in late July as special consultants for the express reason that neither had any connection with past policy and thus would be more able to assess the various issues with a fresh perspective and without bias born of previous association with the China problem.[6]

Consistent with this intent, members of the Committee therefore included as one among the objects of their study of American policy the alternative of a renewed program of military assistance to China. Consequently, there was no question but that State would have to continue to monitor closely the situation on the mainland with an eye to the possible emergence of effective anti-communist resistence sufficiently worthy of further infusions of American military (and economic) assistance.[7]

Defense Department thinking on this question was somewhat different from that of State. As had been the case in 1947 and early 1948, many in the Defense Department, undoubtedly because of their analytic preoccupation with military matters in the policymaking process, tended to display considerable confidence in a more purely military solution to international problems and in this regard, continued to be more sanguine than most State Department officials about the efficacy of a well conceived and well organized American military involvement in China.[8] Defense

thinking about East Asia also included a somewhat more mechanistic assessment of the causal relationship between a communist assumption of control in China and subsequent events elsewhere in Asia. For example, a Joint Chiefs of Staff summary of the China situation in the early part of May 1949, included the following comments: "Communist China means Communist Asia"; "When China is completely overrun by the communists, the communist conquest of all Asia will inevitably follow"; and "There can be no question but that all of Southeast Asia will rapidly go communist once China has fallen."[9]

From the unadorned logic of this type of thinking, it followed that if Southeast Asia was to be saved then if at all possible some stand would have to be made in Southern and Southwestern China for the purpose of creating a defensive "belt" of territory to prevent the "inevitable" consequences envisioned. This view in combination with the particular nature of the Defense Department's formal responsibility in contributing its evaluation to the policymaking process, therefore, understandably produced in the military establishment a strong tendency to encourage continuing Administration attention to the question of military aid to China. Accordingly, the Secretary of Defense, Louis Johnson, in the Summer of 1949 made formal request to the National Security Council that a full-scale review of United States Far Eastern policy be undertaken (this request resulted in

the NSC 48 Series which became the documentary basis for Asian policy at the end of the year) to include attention to the issue of military assistance to China.[10] The JCS were also instructed to undertake a study of possible problems which might be encountered in a renewed program of military aid in the event the Administration revised its assessment of the need and feasibility from becoming involved in China.[11]

Another major factor may be identified not only as having reintensified interest in the issue of military aid to China but also as having reinforced the respective purposes of both the State and Defense Department in undertaking reviews of Far Eastern policy in 1949. In late August American intelligence reported what was believed to be the Soviet detonation of an atomic device, this several years in advance of existing United States estimates of the Russian ability to develop an atomic weapons capability. This unexpected development raised considerable anxiety in Washington coming as it did in such close proximity to the nearly complete Communist victory in China and in the presence of the increasingly prominent belief in decision making circles that the trend of international events appeared generally to be running strongly in favor of Soviet power and prestige. For example, with respect to the situation in East Asia, the Central Intelligence Agency (CIA) had advised

in the latter part of April that "The relative power positions of the US and the USSR have definitely changed in the USSR's favor"; that the Chinese Communist's victory over the Kuomintang constituted, "a defeat for the US in the 'Cold War' in Asia"; and that

> The consequences of this reversal has been widespread and cannot be fully measured. It is certain, however, that the process of reestablishing a new U.S. position will be exceedingly complex and that the hope of making it a favorable one cannot be quickly realized.

With respect to what appeared to be the emergence of a major potential threat to the national security, within days after receipt of the news of the Soviet atomic explosion, President Truman instructed the National Security Council to undertake a full-scale reappraisal of all existing United States foreign policy objectives to include a reevaluation of the state of the nation's military preparedness. A special ad hoc group composed of representatives from both the Defense and State Departments and headed by the latter's Paul Nitze, who also became Director of the Policy Planning Staff upon George Kennan's resignation from that post in December, was charged with the responsibility for carrying through the White House directed study. Almost from the beginning this policy review seems to have been significantly influenced by an emerging view in Washington which laid considerably greater emphasis on the military component in the international balance of power with the

Soviet Union than had been included in the Administration's sense of economic feasibility and strategic necessity since 1945.[13]

This attitude, which envisioned the need to expand the existing level of military expenditures vastly beyond the post World War II $15 billion ceiling proposed by the White House and the Bureau of the Budget, received needed theoretical support from members of the Council of Economic Advisors. Since October of 1949, the Council had been headed by Leon Keyserling who repeatedly argued that government expenditures could be substantially increased without causing inflation.[14] The ad hoc policy review group shared this view as did its director, Paul Nitze, and the Policy Planning Staff generally agreed that military appropriations could safely triple beyond the precautionary $15 billion level.[15]

The full essence and significance of this general foreign policy review is not a pertinent topic for detailed discussion here though a few observations concerning its content are important. The study was completed and forwarded for presidential consideration in mid-April of 1950. Designated as National Security Council Report No. 68, the document was clearly a hard line assessment of Russian foreign policy and was based on the presumption that for the indefinite future the vital interests of the Soviet Union and the United States were unequivocally and fundamentally

incompatible; that the advantage of one meant, in effect, the disadvantage of the other.[16]

Ironically, it was the State Department, especially manifested in the active backing of Secretary of State Dean Acheson, and not the Department of Defense which provided the driving force in developing NSC 68.[17] Consistent with the belief that the present ceiling on military expenditures was no longer necessary, the study proposed the need for a dramatic expansion of the American military establishment. The report argued in favor of significant increases in military and other expenditures for deployment in support of a much more active policy of containment. Indeed, with respect to the projected possibility of direct confrontation with the Soviets, NSC 68 amounted to an affirmation of the need for manpower remobilization to include a peacetime draft and military rearmament to include the stockpiling of nuclear weapons and the development of the hydrogen bomb.[18]

President Truman did not give approval to NSC 68 prior to the North Korean attack on the South in late June of 1950. The crises in Korea, however, did trigger the increase of military expenditures and mobilization outlined in the report while the invasion thoroughly confirmed the view of American decision makers, as reflected in the report, that the international design of the Soviet Union was to seek "the complete subversion or forceable destruction of the machinery of government and the structure of society in

the countries of the non-Soviet world...(and to replace this)...by an apparatus and structure subservient to and controlled from the Kremlin."[19]

The point of the foregoing discussion concerning NSC 68 is to suggest the type of thinking which by the late Summer and Fall of 1949 had become increasingly prominent at the decision making level and as it relates to East Asia, the nature of the context in which Administration assessments of the situation in China were being made. The policy making atmosphere in Washington was so charged with a sense of the need to reassess the direction of American foreign policy, in light of the Soviet explosion of an atomic device, that even had the State and Defense Department not earlier undertaken their own separate reviews of Far Eastern policy, it is reasonable to suggest that under the circumstances one would have been initiated anyway. As it was, the nature of the situation merely gave further sanction to those reviews of the China problem already underway.

Furthermore, the logic involved in the ongoing NSC 68 study encouraged a reassessment of China policy. If Soviet possession of an atomic bomb meant a fundamental alteration of the international balance of power equation, and if, as certain important officials were arguing, the previously sacrosanct $15 billion ceiling on peacetime military expenditures should and could be lifted, then it followed that those strategic considerations, which, since

1945 had imposed severe limits on the capacity of the United States to become involved in China, also might be altered in favor of some greater willingness to commit American resources and manpower, especially if it could be established that to do so would result in effective obstruction of any further expansion of Soviet power and influence.

As outlined above members of the military establishment generally exhibited greater confidence in the efficacy of a well planned and well supervised military involvement in China and were prepared to stand and fight in Southern and Southwestern China in order to prevent what they considered would otherwise be an inevitable penetration of Soviet power and influence into Southeast Asia. However, it is important to understand that, commensurate with their analytic responsibilities in the policymaking process, Defense officials did not display unrestrained enthusiasm for any and all proposals for military assistance to China. The JCS categorically rejected the proposals made by the retired Air Force General, Claire Chennault, arguing that his plan assumed the existence of certain conditions in China favorable to effective anti-communist resistance which simply did not exist, that his operational and logistical plans were too vague to permit proper analysis from the military point of view.[20] The JCS also rejected an urgent mid-August plea by the Nationalist Government for a new

program of military assistance to replace the nearly exhausted American commitment prescribed under the China Aid Act of 1948. Chinese arguments in support of the request, the JCS advised, were insufficiently convincing to warrant serious consideration by the Administration.[21]

In the latter part of October, the Joint Chiefs of Staff did release a Joint Strategic Survey Committee study concerning the feasibility of aid to anti-communist forces in China, which, in accepting the assumption that "once China falls, all of Asia would, in all probability, eventually succumb to communism", recommended that, "A modest well directed program of aid to China would now be in the security interest of the United States."[22] And yet despite the positive nature of this recommendation, the JCS felt compelled to observe that any program of assistance would be a "gamble" in the absence of a series of conditions, many of which could not be expected to exist with any comfortable degree of assurance.[23]

Given this equivocation on the part of the military establishment, it is not surprising that the strong reservations of the State Department against any renewed plan of military aid to mainland China continued to prevail in the policymaking process toward East Asia throughout 1949. The results of the Department's in-house review of United States Far Eastern policy by the so-called Committee

of Three, merely confirmed the unanimous reticence of diplomatic officials both in Washington and in the Embassy in Nanking to commit American prestige and resources to contain communism in China.[24]

While willing to admit that making a stand in the south of China might forestall the communist advance possibly giving Southeast Asian nations time to prepare a defense, might result in the creation of an effective base of guerrilla operations against the Chinese Communists to the north, and might prove to be a source of inspiration for non-communists in Communist held territories, State Department officials were convinced these prospects were at best very slim and paled in comparison to the total sum of arguments against involvement.[25] Thus, both toward the excited agitation of those outside the Administration desiring a further American commitment to China as well as those pressures in this direction from within, State Department opposition followed along predictable and familiar lines.

The proposed feasibility of any new program of military assistance, State Department officials observed, would have to demonstrably offset the fact that over the past year there had been an unrelieved declined of effective Nationalist resistance to Chinese Communist control; the fact that "the conditions that enabled (the) Communist (to) win all (of) North China despite (a) preponderance (of) material and manpower on (the) Nationalist side, still

exists, if anything, in exaggerated form;" and the fact that no non-communist regional alternative with effective potential had emerged as the basis for new programs of American support.[26]

In view of these fundamentally unpropitious circumstances, State officials argued further that because of the continuing incompetence of anti-communist forces, additional support eventually would find its way into Communist hands thereby contributing to the latter's effective power. Furthermore, any new American commitment on the mainland could be expected to "merely prolong (the) inevitable with (a) resulting prolongation (of) suffering (of the) Chinese people." It would "make (the) communist task easier by providing them with material to rally racial feeling in support of resistance to foreign intervention", thus "(adding) renewed fuel to Chinese chauvinism", and generally "popularize the Chinese Communists within China by providing at once a straw man which they can knock down and an excuse for their failure to solve internal problems."[27]

Moreover, State officials warned that in view of keen Chinese sensitivity on the issue of imperialistic interference in their own internal affairs, any new program of assistance would, "only alienate (the) recipients from popular support because it would appear as though (they were) being propped up by (a) foreign power", while at the same time obscuring "with evidence of US intervention the

main issue of Soviet imperialism in China." In sum, State officials suggested, without believing it possible, some reliable assurance would have to be given that "the proposed aid program will not be merely another ineffective U.S. operation in China further dragging down U.S. prestige and further augmenting anti-American feeling in China."[28] In the absence of this sort of assurance wrote the American Consul-General in Peking, Edmund O. Clubb,

> It is the essence of political wisdom at (the) present time to maintain (a) policy of noninterference, that is, to continue (to) 'let (the) Chinese stew in (their) own juice' in conditions where they have nobody but themselves and the USSR to blame for their predicament.[29]

In addition, a policy of open hostility to the Chinese Communist Party would "mean rapid extinction of all American interests in Chinese Communist held areas (while) endangering American lives", as well as the elimination of any short-term possibility of establishing any kind of working relationship with the Chinese Communist government.[30] Indeed, a new program of overt assistance to anti-communist resistance in China not only would have the effect of strengthening Chinese Communist ties with the Soviets, but also make useless any consideration of United States recognition of a Chinese Communist regime (a topic dealt with in detail in a later chapter).[31]

State Department officials advanced two other important considerations with respect to the question of an

American commitment to save Southern China. First, such action on the part of the United States in all probability would have to be undertaken unilaterally. The Administration would not be able to count on the support of its West European allies. The French generally acted with considerable caution in their relations with the Chinese Communists for fear that to arouse the latter's animosity would produce an active, and for the French position in Indo-China possibly fatal, program of assistance to the communist-led Vietminh.[32] The British operated on the assumption that their economic investments in China as well as their politically and economically important position in Hong Kong required a British effort to achieve as much of a normalization of relations with the Chinese Communists as the latter would allow.[33] As a Central Intelligence Agency report of mid-October 1949 observed,

> The nations of the North Atlantic Community...will tend to react according to widely divergent interests and opinions on the best course of action to follow in regard to recognizing the new regime.[34]

This being the case, the United States would find itself fighting alone on the basis of a decision to make a stand in Southern China. However, as noted before, the Administration was fully aware that the broad thrust of post World War II Asian nationalism rested on the strong desire to achieve national independence and that this aspiration

constituted the more positive side of an all consuming goal which was to rid Asia of any vestige of European colonialism. Officials were extremely concerned, therefore, to refrain from policies which would have the effect of destroying the nation's credibility and prestige in the eyes of Asians by appearing as though the American presence in the region was simply another familiar round of western imperialism.

Information reaching officials in Washington described in clear cut terms the difficulty which American policy faced. A January 1949 CIA report observed that in view of the importance of Southeast Asian resources to European prosperity,

> The essence of the problem since 1945 has been how to satisfy the nationalist aspirations of colonial peoples while at the same time maintaining the economic and political stability of European colonial powers.[35]

An April report expanded on the theme by explaining that, because West European nations were preoccupied with strengthening and maintaining their own domestic economies, they were generally reluctant "to meet Asian nationalist demands except by methods of slow political evolution." Consequently, Asian nationalists, with no apparent alternative, were "sometimes willing to accept Soviet communism as an ally." The nature of the situation, thus posed considerable problems for the United States,

> ...whose comprehensive security interests requires, on the one hand, that the power potential of Western Europe should be rebuilt, and, on the other, that strategic colonial areas should be stabilized against Soviet communist exploitation....

As the CIA saw it, the resulting dilemma was that,

> US security is perpetually balanced between undermining a Western ally by supporting an Asiatic nationalist movement, or destroying the remains of a US position on the continent of Asia by indirectly helping to suppress such aspirations.[36]

One principal, albeit rather ineffective, way in which American policy planners sought to resolve this dilemma was to encourage the European colonial nations to initiate those political processes by which Asians would be able to move more quickly in the direction of self rule.[37] Beyond this, it became a matter of contriving a policy toward Asia which, at the very least, would not prove to exacerbate the problem, and hopefully might even vitiate it somewhat. As explained in greater detail in an earlier chapter, Administration officials felt that the effectiveness of American Asian policy would be significantly reduced unless the United States proved able to preserve its image as a nation historically opposed to the imperialist practices of the past and in favor of some more equitable and mutually respectful manner of interstate relations.

It was also important to maintain this image in order to distinguish clearly the character of American Asian

policy from that of the Russians, which United States officials genuinely thought was of an expansionist form quite comparable to the more classical types of imperialism. With respect to this assessment, American policymakers further believed that if it could be demonstrated that Soviet foreign policy was no different than its imperialist predecessors, then Asians would be duly influenced to develop their own internal animosity towards the Russians.[38]

This is what Secretary of State Dean Acheson meant in a mid-January 1950 speech before the National Press Club in Washington, when, in suggesting guidelines for American Far Eastern policy, he explained that,

> ...what is happening in China is that the Soviet Union is detaching the (four) northern provinces...and is attaching them to the Soviet Union; ...this fact...is the single most significant, most important fact,...in Asia.;

What this means for the United States, the Secretary went on,

> ...(is) that nothing we do and nothing that we say must be allowed to obscure the reality of this fact. The only thing that can obscure it is the folly of ill-conceived adventures on our part....[39]

Acheson concluded his remarks on this point by warning that,

> ...all who are thinking about these foolish adventures...(should)...remember that we must not seize the unenviable position which the Russians have carved out for themselves. We must not undertake to deflect from the Russians to ourselves the righteous anger, and the wrath, and the hatred of the Chinese people...(with

> respect to their ability to comprehend)... what the true purposes of the Soviet Union are and what the true function of communism as an agent of Russian imperialism is![40]

Thus, both to insure the nation's anti-imperialist reputation and in order to establish grounds for drawing a clear distinction between the foreign policies of the United States and the Soviet Union, the Administration sought to avoid the type of involvement on the mainland of Asia which would require the United States to assume responsibilities similar to those of the colonial powers. This was precisely what since 1945 the Administration had determined would happen if the United States were drawn into China's civil war and in 1949 the liabilities were altogether apparent this would be the international interpretation placed on any American effort to save southern China from Chinese Communist control. For this additional reason, therefore, State Department arguments against a further commitment to the mainland were decisive in White House deliberations over China policy in 1949.

This is not to suggest, though, that the Administration was categorically opposed to any American involvement on the Asian mainland to contain the further success of international communism. In fact, after the late Summer of 1949, Administration officials increasingly were disturbed that this was what the United States might have to do. However, if the important anti-imperialist image was to be

preserved, the question was "How?". The answer was certainly convenient, possibly even inevitable, in view of the existence of the United Nations, the major feature of the post World War II system of international relations. It is not surprising, therefore, to find in an early December report to the President, the head of the State Department Far Eastern policy review group, Ambassador-at-Large, Philip C. Jessup, making the comment that "The United States will deal with any direct aggression against an Asian state through the machinery of the UN...."[41]

Policy planners believed that, based on an offshore occupation of strategic islands, including Japan, they could justify a reasonable United States presence in Asia, at least one which would not prove excessively alienating of Asian nationalist sentiment. In addition, it would be the type of presence which, in being centered offshore, would lend to a propaganda effort designed to highlight the pernicious implications of the Soviet imperialistic interference in the internal affairs of, for example, Outer Mongolia, Sinkiang and Manchuria.

This explains the purpose of Secretary of State Dean Acheson's comments, also made in the January 1950 National Press Club speech, concerning the American "defensive perimeter" in the Western Pacific, comments which did not include mention of the Asian mainland, and most notably, Korea. What Acheson attempted to suggest in defining the

"defensive perimeter" was that these were areas where, by any reasonable international standard, the United States had legitimate post World War II security interests; that these were areas in which a unilateral military presence would be maintained and which the United States would protect with armed force if necessary.[42] The mainland of Asia, though, was a different matter. Acheson went on,

> So far as the military security of other areas in the Pacific is concerned, it must be clear that no person can guarantee these areas against military attack.... Should such an attack occur...the initial reliance must be on the people attacked to resist it and then upon the commitments of the entire civilized world under the Charter of the United Nations which so far has not proved a weak reed to lean on by any people who are determined to protect their independence against outside aggression.[43]

In sum, Acheson's comments must be understood as an effort to explain the Administration's preference for an international and multilateral, rather than a unilateral United States, response to future incidents of aggression on the Asian mainland and thus to associate any further American effort to contain communism in the region with the higher moral authority of collective security.[44]

The last major objection posed by the State Department in opposing new programs of military assistance to China in 1949 amounted to a reaffirmation of the principal reason why the Administration had remained on the periphery of China's civil war since the end of the Marshall Mission.

Notwithstanding the far reaching policy implications of the NSC 68 study underway after August, the fact of the matter was that the Administration had allocated only about $13.5 billion to the military budget for the fiscal year ending in 1950 - a situation which remained in effect until the Korean War. Indeed, prior to the Korean conflict, and despite gathering enthusiasm in Washington for substantially increasing military expenditures, there remained a good deal of support for retaining existing budgetary limitations, e.g., the Bureau of the Budget and, somewhat surprisingly, the Secretary of Defense, Louis Johnson.[45]

Consequently, in 1949 and into 1950 the problem of limited resources, plus the need to apply them on a strategic priority scale which still ranked China as an area of secondary importance, continued to be a critically important calculation in determining the feasibility of an American commitment in China. In context of the ongoing discussion concerning military aid, Assistant Secretary of State Dean Rusk, in the Spring of 1949, observed that,

> "Our China policy must be fitted into our capabilities and our other responsibilities; the President and the Secretary of State must be able to deal with China in relation to other urgent and pressing matters." (italics in the original)[46]

Even the October report of the Joint Strategic Survey Committee, in which the Joint Chiefs of Staff suggested that a "modest well directed" program of military assistance could

be argued to be in the national interest, included the caveat that any decision to commit United States resources in such a fashion would first have to be measured with respect to its impact on "our national economy" and in view of "the importance of aid to China relative to other nations in our overall aid programs."[47]

The successful China bloc effort to force the Administration to include in the Mutual Defense Assistance Bill of 1949 $75 million in new monies for use in the "general area of China" did nothing to enhance the prospect for initiating additional programs for China. As in the past, the efforts of pro-Chiang Kai-shek enthusiasts to force the Administration into undertaking a more extensive involvement in China's internal affairs were unsuccessful. The section of the Defense Assistance Act under which use of the $75 million was finally prescribed committed the Administration to no particular course of action. Funds were allocated for the "general area" of China and not stipulated for use in any one country, including China. The President was to have full discretion in this regard. The funds were not designated necessarily for use as military assistance nor was the President required to account for the expenditures, except for an accurate tally, if he deemed it inadvisable. As it turned out, consistent with State Department advice, the funds were used for the most part in Southeast Asia to train and equip internal security forces to combat "communist affiliated" insurgency movements.[48]

Having dealt with this broader issue of new programs of military assistance to China in 1949, it is now possible to turn to a more meaningful discussion of the several procedural problems which the Administration attempted to resolve in implementing its policy of maneuver. Besides the necessity of providing for the safety of American citizens and property and determining what sort of continuing official presence ought to be retained in China, of major importance was the question of implementing controls on the flow of military and economic assistance to the mainland in view of the expansion of areas under Communist control. In mid-December 1948, the Secretary of Defense, James Forrestal, suggested that the National Security Council (NSC) consider establishing guidelines for continuing military and economic assistance to the Chinese government as a result of the total disintegration and surrender of Kuomintang forces in Northern China.[49] With respect to military aid, the State Department suggested that recommendations be obtained from the head of the Joint United States Military Advisory Group (JUSMAG) in China, General David G. Barr, as well as from the Embassy at Nanking and that once in possession of this information, the NSC should make a final determination on the matter, possibly to include the question of whether under the circumstances American military aid allocated to China might not be more usefully employed in other theaters of American commitment.[50]

General Barr recommended that the flow of military aid (also economic) to China should be strictly controlled and that every effort should be made to prevent further shipments from falling into the hands of the Communists. However, he argued that while further military assistance would not prevent the final defeat of Kuomintang forces -- an event he considered inevitable -- aid should not be stopped completely, "so long as the present govt. continues as such action would be widely condemned and would place the United States in an unfavorable light in the eyes of the world." He advised that further military aid be diverted to South China where it could be effectively utilized by Government forces still capable of resisting the Communist advance or shifted to more secure areas located on Taiwan.[51]

The American Ambassador, John Leighton Stuart, largely concurred in Barr's recommendations. Stuart argued that stopping munition deliveries would constitute final American disavowal of Chiang's regime and thus would, "discourage those forces both within and without (the) government desiring (to) continue resistance to communism." He recommended continuing the flow of aid, suggesting that it be stockpiled in the vicinity of Nanchang or Canton as the anticipated center of remaining Nationalist resistance on the mainland. If it should become necessary, aid eventually could be shipped to Taiwan.[52] On December 31, in accord with these and especially Barr's recommendations, the Admin-

istration decided to continue munition deliveries to remnant forces of the Nationalist Government.[53]

However, less than a month later, and only days before JUSMAG departed China -- its contintued existence no longer believed relevant in view of the irreversible deterioration of the government's military position -- General Barr advised Washington that because the Nanking-Shanghai area appeared to be in imminent danger of capture by the Communists, all American military assistance to Chiang's regime should be suspended so as to insure that it not fall in the Communist hands.[54] On the basis of Barr's late January message, the Secretary of Defense requested immediate National Security Council consideration of the matter again to include the possibility of cutting off completely military aid to China.[55] The NSC advised the President that in view of the JUSMAG report, the Administration ought to suspend the bulk of military supply to China, "pending clarification and review of the situation, meanwhile permitting only such selective shipments as can be properly and effectively used." The NSC also suggested that the President ought to consult with key members of Congress, especially those of the Senate Foreign Relations and House Foreign Affairs Committees.[56]

Congressional attitudes differed little from the general thrust of thinking within the Administration, undoubtedly because there seemed to be little alternative

under the circumstances. By February of 1949, policymakers were convinced on the basis of reporting by the Embassy and Military Advisory Mission in China that additional shipments of military supplies (scheduled for delivery under the provisions of the China Aid Act) would have little effect in preventing a Nationalist defeat.[57] Officials assumed that further military aid to Government forces on the mainland, unless strictly controlled, eventually would find its way into Communist arsenals. And yet, formal cessation of military assistance to the regime would constitute a startling reversal of existing American policy, in effect appearing as though the Administration callously was abandoning the Chinese to sink with their own ship. Such a move, moreover, would eliminate whatever remained of the Nationalist will to continue to resist a Communist advance.

Faced with this dilemma, and with respect to the Administration's request for advice, Congressional leaders proposed a compromise solution. While opposed to an announced suspension of military aid because it would discourage further Nationalist resistance to "communist aggression", they advised that if "aid could be delayed without formal action until the situation is clarified it should be done."[58] In other words, Congressional leaders offered little more than an affirmative rephrasing of virtually the same advice which the National Security Council had forwarded to the President only a few days before. Based on

this similarity of opinion both within and outside the Administration, the President made his decision. On February 7, the Secretary of State, Dean Acheson, issued the directive that while military supply to the Nationalist Government would not be suspended, "wherever possible, it is desirable that shipments be delayed where this can be done without formal action."[59] The necessity of the decision only seemed confirmed, when at the end of February even the Chinese began requesting through the American Embassy in Nanking that deliveries to the mainland in some cases be delayed in view of the extreme uncertainty of the military situation.[60]

Thus determined to fulfill remaining obligations under the China Aid Act of 1948, the Administration proceeded to institute certain precautionary procedures in order to control as much as possible the ultimate disposition of war supplies. Shipments by United States agencies were delayed, or, if continued, then allowed to stockpile at ports outside of China to be used when needed. By the beginning of March, substantial portions of those shipments already in the pipeline also were being diverted to the insular security of Taiwan while military aid that did reach the mainland went to ports not in imminent danger of falling under Communist control. As a general procedure, munition deliveries to the mainland were shipped in an amount roughly commensurate with demonstrated Kuomintang needs and ability

to use. Consequently, after the Spring of 1949 American military supply steadily dwindled in direct proportion to the rapid decline of effective Nationalist resistance to Communist forces. On the other hand, Administration officials did not attempt to restrict Chinese commercial purchase of materiel on the open market or to interfere with shipments to China carried in commercial vessels.[61]

Evolving American policy with respect to another major procedural problem for Administration officials in 1949 -- that of continuing to give economic aid to China -- followed much along the same lines as in the case of military assistance during this period of the Nationalist collapse. The major issue produced by multiple Government reverses in the Fall of 1948 was whether or not the activities of the Economic Cooperation Administration (ECA), the agency responsible for administering American economic assistance in China, ought to be suspended in areas which came under Chinese Communist control. The Chief of the ECA mission in China, and in Washington, both the Director of the ECA China Program and the ECA Chief Administrator, argued that implementation of the aid program obligated under the China Aid Act should go forward without restriction even in areas administered by the Communists. ECA thinking rested on the view that continuing to provide assistance would be the most effective way to counter Communist propaganda which charged that United States support

of Chiang's regime did not include any concern for the welfare of the Chinese people but was merely an imperialistic interference selfishly designed to save a reactionary and corrupt regime. ECA postulated that distribution of aid in Communist held territories might be accompanied by United States Information Service radio broadcasts giving full credit to the United States as the source of that aid and that if the Communists did attempt to interfere with the distribution process then they could be blamed for depriving the Chinese people.[62]

The American Ambassador in China and State Department officials in Washington were strongly opposed to the ECA proposal.[63] The Directors of both the Office of Far Eastern Affairs, W. Walton Butterworth, and the Policy Planning Staff, George F. Kennan, argued that American assistance should not be used in support of Communist efforts to create economic stability in areas under their control. Officials were not inclined to be generous in helping the Communists legitimize and solidify their rule in view of pronounced Communist hostility toward the United States and since it was certain the American government would not receive credit for the aid or its effect. The Undersecretary of State, Robert A. Lovett, agreed.[64] As one ECA official put it in early 1949 in describing State's unwavering attitude on this point,

> The State Department...(is)...taking quite firmly the line that the Chinese Communists should be left to stew in their own juice, with no help whatsover from the U.S. for the people in areas controlled by them.[65]

State officials did allow that it would be unwise to attempt to recover that assistance already located in areas controlled by the Chinese Communists and conceded that goods presently located in those territories should be distributed as planned. To act otherwise, they agreed with ECA, would provide considerable propaganda leverage to the Communists by making it appear that American assistance was of an extremely self-serving nature and without regard to the welfare of the Chinese people. At the same time, no further aid should be allowed to land in Communist controlled areas and all assistance en route should be diverted to friendly ports. On the other hand, State was sure that Congressional and public opinion would not support the rather sophisticated type of approach suggested by ECA officials.[66]

Indeed, Congressional members of the "watch dog" subcommittee of the Joint Committee on Foreign Economic Cooperation appear to have been in complete accord with the State Department on this matter.[67] And, consistent with State's position, on December 30, 1948, the President directed that economic assistance would continue to go exclusively to the Nationalist Government, or to its legal and

effective anti-communist successor, and that no economic aid would be given to any coalition government which included Communists. The White House also instructed that aid already in territories held by the Communists would be distributed but that supplies en route would not be allowed to land.[68] Though there was some continuing discussion between ECA and State Department officials on the issue of continuing economic assistance to mainland China in the first weeks of 1949, a January 14th Cabinet level meeting reaffirmed that the President's December 30th statement would remain as the basis for United States policy.[69]

With respect to the problem of continuing economic assistance to the Nationalist Government, the State Department generally took the position that further infusions of aid would not have any dramatic effect in upgrading Kuomintang resistance on the mainland. And yet, officials were opposed to withdrawing aid altogether.[70] Abrupt cessation of American assistance would cause the immediate collapse of the Government which the United States continued to recognize. State officials believed that such an act would be interpreted at home and abroad as an unjustifiable abrogation of existing United States responsibility, thus calling into question the nation's reliability concerning its international commitments to friends and allies.[71]

Moreover, termination of economic aid would destroy Nationalist morale and will to continue to resist

further Communist advances. Although the Government's defeat was a foregone conclusion in 1949, Administration officials still believed it was important -- to the extent continuing to disburse funds authorized under the China Aid Act of 1948 would allow -- to delay a final Communist victory and assumption of control throughout China for as long as possible. While policymakers were never clear as to precisely what advantages this might produce for American policy they remained convinced that pulling out of China at such a critical time, thereby precipitating an immediate Nationalist collapse, would work to the greater disadvantage of the Administration's policy toward Asia, and other areas of the world.[72]

Finally, the State Department opposed formally cutting off economic aid to the Nationalist Government in 1949 so long as some fight remained in the regime because to do so would have eliminated the basis for continuing to sustain certain economic aid projects on Taiwan. State's interest in this regard was based on an estimate by the Joint Chiefs of Staff concerning the military-strategic importance of the island -- a point which will be developed in some detail in the following chapter.[73]

State Department officials resisted another suggestion by the ECA that Congress be asked to allow for an increase in monies beyond that sum allocated in the China Aid Act of 1948, roughly $60 million to be used for selected

economic projects (esp., rural reconstruction) in areas still under Nationalist control. State argued that it might be misinterpreted by the Chinese Government, possibly raising the false hope that it signaled a significant alteration in the Administration's policy. And since areas still under Kuomintang control could be expected to pass into the Chinese Communist orbit within a relative short time, additional economic aid to the Nationalists, in effect, meant that much more aid to the Communists and thus an easing of economic problems in areas under their control.[74]

On the other hand, because unobligated monies still remained to be used and in all probability would not be used in time, the State Department readily agreed to support a ECA initiated proposal put before Congress for an extension of the final date by which all funds allocated under the China Aid Act of 1948 would have to be expended. In addition to the need to sustain a basis for continuing certain economic aid projects on Taiwan, State officials recognized that allowing the China Aid Act to expire on April 3rd, the terminal date specified in the original legislation, would amount to the ending of an aid program to a government which the United States continued to recognize, again giving the appearance of reneging on the nation's international responsibility to fulfill its contracted obligations.[75] Despite China bloc efforts to include in the requested legislation the stipulation that for the period

allowed after April 3rd the Administration could deal only with the Nationalist Government in expending the unobligated funds, the new measure, passed on 19 April 1949, did no more than vaguely commit the President to spend the "unobligated balance" by 15 February 1950 "in areas in China which he may deem to be not under Communist domination."[76]

In accord with the policy largely defined by the State Department, therefore, economic assistance continued to be sent to mainland China for the rest of 1949 and until no vestige of the Nationalist Government remained. However, throughout the course of the year, the level of economic aid steadily declined, inversely commensurate with the expansion of territory under Chinese Communist control. As the Director of the Economic Cooperation Administration, Paul G. Hoffman, observed in a memorandum of early September,

> The steady succession of territorial losses by the Nationalist Government has led to continuing contraction of areas accessible for aid, and, therefore, in the volume of aid provided. This basic condition, rather than any intention of reducing economic assistance to China, accounts for the fact that during the first year of the program it was not feasible to extend aid to China more than about three-fifths of the funds appropriated by Congress for the purpose during that year, and the further fact that contraction in the aid provided has continued during recent months until it has now reached a relatively low level.[77]

The Director went on to suggest that if by some chance the military and political situation should change in

favor of the Nationalists, the ECA would not be adverse to again increasing the level of American economic assistance, but that under the circumstances, and in view of existing policy, the volume would have to be carefully monitored and reduced if necessary. He concluded by arguing that in the opinion of ECA, and if the Administration was interested, properly planned and well supervised agricultural, industrial and commercial programs of assistance to Taiwan possibly could help to make the island's economy "viable".[78]

In addition to the question of continuing military and economic assistance to China, two other important and related procedural problems remained for American policy in the wake of the Nationalist collapse beginning in the Fall of 1948. One had to do with insuring the safety of American nationals and property and the concomitant issue of whether or not United States citizens ought to be evacuated from territories which came under Chinese Communist control. The other revolved around the question concerning what sort of official American presence ought to be retained in those areas.

In a manner similar to those decisions on the other procedural policy problems discussed above, in both these cases as well, Washington's view of necessity was determined by the Administration's desire to remain as flexible and opportunistic as possible in its response to events in China and throughout the region. Once again

decisions followed directly from the calculation that maintaining flexibility of approach to the situation in East Asia would maximize prospects for realizing the principle goal of United States Asian policy which was to contain effectively any further expansion of Soviet power and influence in East Asia, and more specifically, "to prevent so far as is possible China's becoming an adjunct of Soviet political military power."

With respect to the requirement of insuring for the safety of American lives and property, there was no question of the importance of continuing to provide the full range of official services in areas still affected by military operations. So, for this purpose alone, the American diplomatic and consular presence would be maintained for as long as possible. Moreover, small contingents of Marines stationed offshore aboard American naval vessels stood ready in case it should become necessary to undertake emergency evacuations from coastal regions. Notices to United States citizens in areas of immediate danger were issued warning of the potential risks to life and property in the interregnum between the collapse of the Nationalist Government and the Communist assumption of power and instructions were provided in case Americans wished to consider being evacuated.[79] Beginning in the Fall and Winter of 1948 some precautionary evacuations of private citizens and dependents of American officials in fact were carried out in North and Central

China when it appeared those areas might be attacked or besieged by Communist forces.[80]

However, beyond this and to the extent circumstances and the Chinese Communist authorities would allow, officials in Washington generally preferred to sustain as much of a United States political presence in Chinese affairs for as long as possible and regardless of the group in power. And, in the absence of imminent danger to American lives, the Administration also hoped to maintain the bulk of American economic and cultural influences in China as well. A mid-January 1949 memorandum by the Acting Secretary of State, Robert A. Lovett, noted that

> Under present policy, existing diplomatic and consular establishments in China will be retained, although areas in which they are located come under Communist control.

and that,

> In issuing warnings to American citizens regarding evacuation, care has been taken not to suggest that key American personnel and commercial, industrial, religious and philanthropic enterprises should leave or that American citizens having substantial interests in China should abandon those interests.[81]

This remained the essence of American policy into the Summer of 1949.

It appears that the desire to sustain American influence in China even under a Communist regime was present

in Administration calculations prior to, though in anticipation of, the disastrous collapse in late 1948 of the Nationalist position in Manchuria and North China. Assuming the impending disappearance of Chiang Kai-shek's regime as an effective political factor on the mainland and as well that further American military and economic assistance would have no effect in preventing this event, a Policy Planning Staff memorandum of early September 1948 observed that "For some time to come China will be a chaotic and undependable factor on the Far Eastern scene," principally because the Kremlin's efforts to consolidate Soviet control over the Chinese Communist Party were likely to run afoul of a series of complicating problems including the major one of traditional Chinese resentment of foreign interference in their internal affairs. The PPS study speculated that this type of situation would provide fertile grounds for effective ideological competition with the Russians. Assuming that American influence would not be completely eliminated subsequent to a Chinese Communist takeover, the memo concluded that "In the battle for the mind of China the most effective application of our strength will be through political, cultural and economic forms."[82]

The essence of this PPS memorandum was eventually incorporated in a National Security Council report (NSC 34 series) on China in mid-October of 1948 and subsequently authorized by the President as the guide for implementing

policy.[83] Modified in late February of 1949, the second in this particular series of NSC reports included statements which reveal the basis of the Administration's thinking concerning the potential advantages of sustaining an American involvement in China. The report observed that

> We shall...find ourselves before long entering upon a period when the Kremlin and we shall find ourselves in reverse roles. The Kremlin is going to try to influence, probably more than we, the course of events in China.[84]

But, "It will not be easy as we can testify with feeling." The Kremlin will have its problems and because of this,

> We shall be seeking to discover, nourish and bring to power a new revolution, a revolution which may eventually have to come to a test of arms with the Chinese Communists, if it cannot in the meantime so modify the composition and character of the Chinese Communists that they become a truly independent government,

that is, independent of the Kremlin's influence and control, and thus to exist "in amicable relations with the world community."[85]

Without any precise expectation as to what the extent of the opportunities might be, but with respect either to the goal of nourishing a "new revolution" or that of encouraging the emergence of a "truly independent government", the report recommended that the United States,

> ...while scrupulously avoiding the appearance of intervention,... should be

> alert to exploit through political and economic means any rifts between the Chinese Communists and the USSR and between the Stalinists and other elements in China both within and outside of the Communist structure.[86]

However, the Administration's ability to accomplish this would depend on the continued existence in China of the United States "cultural and informational program, both official and private, at the most active feasible level" and "of course...so far as feasible (the maintenance of) active official contact with all elements in China."[87]

It is important to stress that the aforegoing should not be taken to imply that the Administration was on the verge of cutting all ties with the Nationalist Government. In fact the same NSC report argued that the United States "should continue to recognize the National Government until the situation is further clarified."[88] Nor for that matter should it be taken to imply that the Administration was anxious to move gratuitously in the direction of establishing better relations with the Chinese Communists. In this regard it is instructive to note that the report also specified the importance of continuing to look to the possibility of renewed programs of military and economic assistance to effective anti-communist resistance groups if this sort of alternative by some chance should emerge.[89]

However, consonant with their policy of flexibility, American officials wanted to be prepared to maneuver in

whatever tactical direction promised to achieve best results in containing Soviet power. Since all visible forms of anti-communist resistance, Kuomintang or otherwise, appeared to be wholly unreliable as agents for achieving this primary goal of American policy, it remained to be seen what could be accomplished by other means.

If, for example, it appeared that it would serve the national advantage to develop better diplomatic contacts with the Chinese Communists, then efforts could be initiated to normalize relations with the Communist regime. But, if this did not prove possible, then with patience and with time, other means might be utilized to influence the Chinese to move in a path more amenable to the American interests. In the private sector the economic, political and cultural merits of the American democratic and "free world" alternative to Soviet "totalitarianism" would be argued by the missionary community and by American teachers in Chinese universities. The contrast would be further implied by the continuing activities of American philanthropic groups in China and by the potential reward of economic prosperity once the Communist regime was willing to develop mutually beneficial relations with American commercial and industrial enterprises located throughout the country. On the official level, the advantages of better relations with the United States would be extolled through whatever diplomatic and consular channels of communication might exist with the

regime.[90] At the same time the United States Information Service, to include the Voice of America, would be concerned to inundate the country with information favorable to the cause of the "free world", while also attempting

> ...to foster possible rifts between Chinese Communists and the USSR to emphasize the imperialistic aims of the USSR in China as evidence in Manchuria, Sinkiang, and Mongolia and by destroying the fiction that the USSR is the champion and protector of nationalism.[91]

The Administration's expectation, or hope, to maintain its options in China did not develop in the desired direction. By the end of 1949, the activities of Americans, official or private, were severely proscribed by Communist authorities. Those American diplomatic, consular and other official agency services which remained on the mainland had been reduced to skeletal and virtually non-operational levels. Private American activity was at a minimum and, though some stayed, many citizens, businessmen and missionaries, had agreed to be evacuated from the country. The prospect, as Administration officials saw it, of preventing "China's becoming an adjunct of Soviet political military power" existed only as a possibility in the distant future.

Thus, by the beginning of 1950 the Administration's policy of flexibility and maneuver had failed to sustain the United States presence and influence in China and hence also largely had failed to achieve at least for the time being the principal goal of American policy toward

East Asia. But much of this is a subject that will be developed in greater detail in the next two chapters which focus on the matter of United States relations with the Chinese Communists in 1949 and 1950, in the context of the Administration's continuing association with Chiang Kai-shek and his Nationalist Government located on Formosa.

[1]See Chapter VIII, pp. 282-284.

[2]See, The Under Secretary of State to the Director of the Office of Far Eastern Affairs, 10 May 1949, F.R., 1949, IX, 517; Transcript of Conversation, 11 May 1949, ibid., 520-521.

[3]Memorandum of Conversation by Mr. Allen B. Moreland, Department of State Representative with the Huber Congressional Committee on Far Eastern Tour, ibid., 544-545.

[4]See, Westerfield, Foreign Policy and Party Politics, 353-359.

[5]For information on this $75,000,000 appropriation, see, Memorandum by the Assistant Secretary of State for Far Eastern Affairs to the Secretary of State, 21 October 1949, F.R., 1949, IX, 568-570; Memorandum by the Assistant Secretary of State for Far Eastern Affairs, 24 October 1949, ibid., 570-573; In a July 1953 conversation with former Ambassador-at-Large, Philip C. Jessup, concerning this incidence of congressional obstruction of aid to Korea in 1949, and the eventual appropriation of $75,000,000 for use in the "general area of China", Acheson admitted that the money for China had been included in the Mutual Defense Bill of 1949, "...as a compromise with Senator Knowland; to get Senator Knowland's support for the Korean aid we put in this 75 million dollars which could be used in the general area of China." Notes on China, 23 July 1953, Princeton Seminars, Acheson Papers, HSTL; On this matter, Acheson himself appears to have raised the question in House Committee hearings on the Military Assistance Bill by suggesting that Congress might want to include additional appropriations for Asia in the Bill as passed. In a meeting with the President in August 1949, Acheson reported he had told the congressional committee that, "While we would not ask for it, we would regard action equivalent to giving the President a confidential fund of 100 million for use in Asia as desirable." Memorandum of Conversation with the President, 18 August 1949, Box 64, Acheson Papers, HSTL.

[6]For the motives involved in bringing Case and Fosdick into the State Department, see, Notes on China, 23 July 1953, Princeton Seminars, Acheson Papers, HSTL.

[7]Even though by the Fall of 1949 there were no prospects that further military assistance to the Nationalist Government would have any further positive effect, the Assistant Secretary of State could still concede that, "...the question of supplying further military assistance in China has many military aspects and ... the national interest requires the fullest examination of the problem from all of its aspects. It is accordingly believed that the National Military Establishment should be given every opportunity to contribute its views and comments to the final decision." Memorandum by the Assistant Secretary of State for Far Eastern Affairs to the Secretary of State, 21 October 1949, F.R., 1949, IX, 570.

[8]For example, see the conclusions of a Joint Strategic Survey Committee Report of October 1949 entitled "Study on the Problems Involved in Military Aid to China" that "A modest well-directed program of aid to China would now be in the security interest of the United States." Memorandum by Mr. Max W. Bishop, Special Assistant to the Deputy Under Secretary of State to the Deputy Under Secretary of State, 21 October 1949, ibid., 568.

[9]Department of Defense "Summary of the Present Communist Crisis in Asia", 10 May 1949, file R/240B, DDRS.

[10]The Secretary of State to the Secretary of Defense, 23 August 1949, F.R., 1949, IX, 535.

[11]Memorandum by the Under Secretary of State to the Executive Secretary of the National Security Council, 24 August 1949, ibid., 540-541.

[12]C.I.A. Situation Report, S.R. No. 4/49, 20 April 1949, pp. 6-7, file 77/281B, DDRS.

[13]A good treatment of this critical episode may be found in the excellent work by, Brown, Faces of Power, 46-50.

[14]Ibid., 51.

[15]Ibid., 51.

[16]For example, in an opening section of NSC 68, the report stated that the Soviet Union, "...is animated by a new fanatic faith, antithetical to our own, and seeks to impose its absolute authority over the rest of the world." A Report to the National Security Council by the Executive Secretary, 14 April 1950, in U.S. Dept. of State, Foreign Relations of the United States (Washington, D.C., 1977), I, 237. Hereafter cited as F.R., 1950, I.

[17]See, Brown, Faces of Power, 49-51; Several years later Acheson referred to NSC 68 as one of the greatest documents in American history; that it defined what the U.S. was "all about" while laying out concisely what was at stake in the world in the face of Soviet aggression. See, Notes on China, 23 July 1953, Princeton Seminars, Acheson Papers, HSTL.

[18]A Report to the National Security Council by the Executive Secretary, 14 April 1950, F.R., 1950, I, 237-298.

[19]Ibid., 238.

[20]Memorandum by the Secretary of Defense to the Executive Secretary of the National Security Council, 18 October 1949, F.R., 1949, IX, 556-558.

[21]The Secretary of Defense to the Secretary of State, 14 October 1949, ibid., 552-555.

[22]Memorandum by Mr. Max W. Bishop, Special Assistant to the Deputy Under Secretary of State to the Deputy Under Secretary of State, 21 October 1949, ibid., 568.

[23]Ibid., 564-565.

[24]Memorandum by Ambassador-at-Large, Philip C. Jessup to the Secretary of State, "Outline of Far Eastern and Asian Policy for Review by the President", 2 December 1949, file 75/26C, DDRS; see also the report by the Committee of Three, "United States Policy in the Far East", 18 October 1949, file R/438C, DDRS; For the reporting of the American Embassy in China and for the thinking of the State Department in Washington, both of which consistently argued against further infusions of American military assistance to the China mainland in 1949, see the series of documents, "U.S. Military Assistance to China", F.R., 1949, IX, 519-598.

[25]See, The Counselor of the Embassy in China to the Secretary of State, 28 August 1949, ibid., 541-544; Memorandum by the Director of the Office of Chinese Affairs to the Assistant Secretary of State for Far Eastern Affairs, 20 October 1949, ibid., 558-561; Memorandum by the Assistant Secretary of State for Far Eastern Affairs to the Secretary of State, 21 October 1949, ibid., 568-570.

[26]The Minister-Counselor of the Embassy in China to the Secretary of State, 6 June 1949, ibid., 526-527; Memorandum by the Under Secretary of State to the Executive Secretary of the National Security Council, 19 August 1949, ibid., 533-535.

[27]The Minster-Counselor of the Embassy in China to the Secretary of State, 6 June 1949, ibid., 526; Memorandum by the Assistant Secretary of State for Far Eastern Affairs to the Secretary of State, 21 October 1949, ibid., 569.

[28]Ibid., 569.

[29]The Consul-General at Peiping to the Secretary of State, 21 December 1949, ibid., 598.

[30]The Counselor of the Embassy in China to the Secretary of State, 28 August 1949, ibid., 543; See, also, Memorandum by the Director of the Office of Far Eastern Affairs to the Under Secretary of State, 10 May 1949, ibid., 518.

[31]For a detailed discussion and documentation on this point, see Chapter XI, esp., pp. 404-411; See, also, Draft Report by the National Security Council on United States Policy Toward China, 28 February 1949, ibid., 492-495.

[32]The French generally acted as though they were in no position to take the lead on any question concerning the problem of relations between the Western nations and the Chinese Communists, invariably holding back and waiting for decisions either by Great Britain or especially the U.S., see, "Policy of the United States with Respect to the Question of Recognition", F.R., 1949, IX, esp. pp. 63-65, 86-87, 227-228.

[33]The British at no time in 1949 displayed any inclination whatsoever to talk in terms of joint action with the U.S. to stem the Chinese Communist advance in China. Their major concern, rather, was how best to protect British economic interests in China and in Hong Kong, a concern, which in the face of the imminent collapse of the Nanking government, by the late Summer and early Fall of 1949 increasingly assumed the inevitability of some accommodation with the Communists. For documentation on this score, see "Policy of the United States with Respect to the Question of Recognition", ibid., esp. 149-260; See, also, the State Department intelligence report, "Pressure for early recognition of Communist China is mounting in Britain, and there are increasing signs that the Government...has already drifted into a situation tantamount to de facto recognition." State Department, Office of Intelligence Research, "Current British Policy Toward Communist China.", 15 November 1949, O.I.R. Report No. 5111, IV/34 (Summary-Part A), UPA.

[34]C.I.A. Situation Report, S.R. No. 10/49, 19 October 1949, p. 6, file 77/282C, DDRS.

[35]C.I.A. Situation Report, S.R. No. 1/49, 19 January 1949, p. 2, file 77/181E, DDRS.

[36]C.I.A. Situation Report, S.R. No. 4/49, 20 April 1949, pp. 8-9, file 77/281B, DDRS.

[37]There are a number of documents which could be cited in this regard. Suffice to understand the following line of thinking on this matter as presented in C.I.A. reporting at the end of 1949 and early 1950: In December 1949, the Agency noted that "...the main common concern of the Asiatic political leaders is nationalism. Drives toward national independence so far have been directed primarily against European imperialism. Consequently, Asiatic nationalism is vulnerable to exploitation along international Communist lines as laid down by the USSR." C.I.A. Situation Report, S.R. No. 12/49, 21 December 1949, p. 9, file 77/282E, DDRS. A month later the CIA warned, "The urgent question of 1950 in Asia...is whether Soviet-oriented China-based Communism can continue to identify itself with nationalism...and anti-western sentiment, and sweep into power by one means or another elsewhere in Asia." C.I.A. Situation Report, S.R. No. 1/50, 18 January 1950, p. 2, file 77/283A, DDRS. In Southeast Asia, Indochina existed as, "the most fertile grounds for the spread of communist influence". As a result, in this same January 1950 report, the CIA proposed as a resolution of this

problem that the French follow the British and Dutch models of encouraging Asian self-determination, thus to eliminate, "...the semi-colonial situation from which the Communist movement in Indochina draws it strength", ibid., 5; See, also, Dean Acheson's early January 1950 comment to the China bloc Senators, William F. Knowland and Alexander H. Smith, opposing an American defense of Formosa because it "...would be completely defeative of the general line we had been taking and the philosophy we had been preaching of self-determination of all countries and areas in Asia". Memorandum of Conversation by the Secretary of State, 5 January 1950, in U.S. Dept. of State, Foreign Relations of the United States (Washington, D.C., 1977), VI, 260. Hereafter cited as F.R., 1950, VI.

[38]In the same January 1950 conversation with Senators Smith and Knowland, Acheson went on in detailing the consequences which he saw would follow from an American defense of Formosa, "...such a move would play right into the hands of Russian propaganda which would exploit to the fullest the point that such actions give the lie to our protestations of an absence of any imperialistic design in our motives. I reiterated that we simply cannot afford by overt moves on our part, to place ourselves in a position where we would have difficulty in answering the charge that we are moving in the same orbit of imperialistic design that Russia is following today. I remarked that in my opinion any such move on our part would be greeted by all of the other countries in that area...with a sense of revulsion and with an attitude that our deeds were belying our words." Ibid., 260.

[39]Acheson's speech reprinted in Congressional Quarterly Service, "China and United States Far Eastern Policy, 1945-1966", (Washington, D.C., 1966), 259.

[40]Ibid., 259.

[41]Ambassador-at-Large Philip C. Jessup to the Secretary of State, "Outline of Far Eastern and Asian Policy for Review with the President", 2 December 1949, p. 4, file 75/26C, DDRS; see also Jessups' earlier "Outline of Far Eastern and Asian Policy for Review with the President, 14 November 1949, F.R., 1949, VII, 1212.

[42]Congressional Quarterly Service, "China and United States Far Eastern Policy, 1945-1966" (Washington, D.C., 1966), 259.

[43]Ibid., 259-260.

[44]Several years later Acheson acknowleged that the manner in which he had distinguished in the Press Club speech between the "defensive perimeter", which the U.S. would defend militarily, and those areas toward which the United Nations would have principal responsibility, might have been "the wrong way to do it". Notes on China, 23 July 1953, Princeton Seminars, Acheson Papers, HSTL.

[45]Brown, Faces of Power, 50-51; see also the comments by Paul Nitze, Notes on China, 23 July 1953, Princeton Seminars, Acheson Papers, HSTL.

[46]Memorandum by the Assistant Secretary of State to the Under Secretary of State, 4 April 1949, F.R., 1949, IX, 510.

[47]Joint Strategic Survey Committee Study on the Problems Involved in Military Aid to China, 21 October 1949, ibid., 566.

[48]See, Memorandum by the Assistant Secretary of State for Far Eastern Affairs to the Under Secretary of State, 24 October 1949, ibid., 570-573.

[49]The Secretary of Defense to the Executive Secretary of the National Security Council, 14 December 1948, F.R., 1948, VIII, 232.

[50]Memorandum by the Director of the Office of Far Eastern Affairs to the Acting Secretary of State, 16 December 1948, ibid., 233.

[51]Summary of General Barr's Telegram No. 871 OAGA of December 18, ibid., 236-237; See, also, General David G. Barr to the Department of the Army, 18 December 1948, file R/259C, DDRS.

[52]The Ambassador in China to the Secretary of State, 18 December 1948, F.R., 1948, VIII, 235-236.

[53]Memorandum by the Secretary of Defense to the Executive Secretary of the National Security Council, 2 February 1949, F.R., 1949, IX, 479.

[54]The Consul-General at Shanghai to the Secretary of State, 26 January 1949, ibid., 478.

[55]Memorandum by the Secretary of Defense to the Executive Secretary of the National Security Council, 2 February 1949, ibid., 479-480.

[56]See, "Editorial Note", NSC Action No. 180, 3 February 1949, ibid., 482-483.

[57]Though the following comments might be included at any one or another of several points in the text, it is of some interest to reveal here that Washington may have viewed with some suspicion the whole essence of the reporting of the Embassy in Nanking. The suspicion apparently was of a sufficient nature that certain diplomatic officers were instructed to send reports of the situation in China directly to the Office of Far Eastern Affairs by personal mail. John M. Cabot, then the American Consul-General at Shanghai, revealed this in an interview in 1974, observing that "This is a slightly delicate subject, but since it's for history rather than for personal reasons, I'll comment. Ambassador [Leighton] Stuart was a dear person. He knew China inside out,

had many, very many good friends in China on both sides of the fence, but he had no discretion; he simply couldn't keep a secret. He had a Chinese secretary who knew everything he knew, and who was reporting right to Chiang Kai-shek. The result was that the Department didn't really trust the reports it was getting from the Embassy, and I was supposed to report by private letter to Walt Butterworth ...." John M. Cabot, Oral History Interview, 18 July 1973, p. 64, HSTL. The "Chinese secretary" to which Cabot refers was Philip Fugh and the Cabot story on this matter is substantiated clearly by John M. Melby who was Second Secretary of the Embassy for several years after the war. In a personal letter in early 1947, Melby wrote a friend, "As for Philip Fugh, that pipsqueak has been with Dr. Stuart for a good 20 years. It seems he baptized him and there are those who have since regretted that he didn't catch cold in the process and die. He had some kind of dealings with the Japanese during the war, though some claim he was actually an undercover Tai Li man.* He is now a counsellor in the Executive Yuan which makes him a Soong stooge and he also sleeps at night at the foot of the Ambassador's bed. He is, in other words -- and if you don't believe this, don't -- the Government pipeline directly into the Embassy and nobody's been able to do anything about it...." Letter by John F. Melby, 18 February 1948, Box 2/China File-1947, Melby Papers, HSTL. (*Tai Li was a Chinese general, about whom not a great deal is known. He headed the "Bureau of Investigation and Statistics", the euphemistic title for the Kuomintang's intelligence and secret police operation in China and abroad, on a worldwide basis said to number over 300,000 agents!; see, R. Harris Smith. OSS: The Secret History of America's First Central Intelligence Agency (New York: Dell Publishing, Co., 1973), 245).

[58]Memorandum by Brigadier General Marshall S. Carter, Special Assistant to the Secretary of State to the Executive Secretariat, 7 February 1949, F.R., 1949, IX, 485-486; See also, Vandenberg, Jr., Private Papers of Senator Vandenberg, 532. Vandenberg appears to give himself some considerable credit for persuading the Administration at this point not to cut off aid to the Chiang Kai-shek regime, aid that in the absence of his intervention in the matter would have been cut off. In a 1974 oral history interview, Philip D. Sprouse, then Director of the Office of Chinese Affairs, claims rather, that it was the State Department which initiated the recommendation against termination of aid and that it was "the State Department's position (which) was upheld by President Truman at that point." Philip D. Sprouse, Oral History Interview, 11 February 1974, pp. 38-39, HSTL. (The available documentary evidence generally tends to bear out the Sprouse version, i.e., State Department officials did not think it a good idea to precipitously terminate aid to the Nationalist government for fear that it would link American culpability directly to a Kuomintang collapse. See, post, fn. #71.)

[59]Memorandum by the Secretary of State of a Conversation with the President, 7 February 1949, F.R., 1949, IX, 486.

[60]The Ambassador in China to the Secretary of State, 28 February 1949, ibid., 495.

[61]American policy in this regard may be easily deciphered by consulting the series of documents, in "U.S. Military Assistance to China", ibid., esp., pp. 495-598.

[62]The Chief of the ECA Mission to the ECA Administrator, 26 November 1948, F.R., 1948, VIII, 654-658.

[63]The Ambassador in China to the Secretary of State, 4 December 1948, ibid., 662-663.

[64]For the State Department position, see, The Director of the ECA Program to the Chief of the ECA China Mission, 2 December 1948, ibid., 659.

[65]The Director of the Economic Cooperation Administration China Program to the Chief of the China Mission, 7 January 1949, F.R., 1949, IX, 610.

[66]The Director of the ECA Program to the Chief of the ECA China Mission, 2 December 1948, F.R., 1948, VIII, 659-660.

[67]Ibid., 660-661.

[68]Memorandum by the Director of the Office of Far Eastern Affairs, 30 December 1948, ibid., 667-668.

[69]Memorandum by the Director of the Office of Far Eastern Affairs, 14 January 1949, F.R., 1949, IX, 614-615.

[70]The Secretary of State to Senator Tom Connolly of Texas, 15 March 1949, ibid., 609.

[71]A memorandum by the Office of Far Eastern Affairs noted, "While there is little prospect that a continuation of aid on the present scale would contribute effectively to resistance against the Communists on the Chinese mainland, the political disadvantages, both domestic and international, of an abrupt cessation...of economic aid to the Chinese Government which we continue to recognize would be considerable." Memorandum Prepared in the Office of Far Eastern Affairs, 14 January 1949, ibid., 600.

[72]NSC planning in late 1948 and early 1949 concerning China policy always included the presumption of the necessity of continuing to give assistance to the Nationalist government so long as it remained, in some form, to render effective resistance to the Communists and subsequent to the fall of the Nanking require also the necessity to consider then the feasibility of giving assistance to whatever effective non-communist

regional resistance might emerge. See, Draft Report by the National Security Council on United States Policy Toward China, 2 November 1948, F.R., 1948, VIII, 185-187; Draft Report by the Security Council on United States Policy Toward China, 11 January 1949, F.R., 1949, IX, 474-475; As already argued at length in previous chapters State Department officials assumed it necessary to obstruct a communist victory in China for as long as possible because of their belief in the negative consequences which would follow, namely, "It will increase the risk that communist elements may seize effective control of historically developed movements for social reform and for political and economic independence (in Southeast Asia)...." State Department, Office of Intelligence Research, "The Effect of a Communist-Dominated China on Other Areas of the Far East", 24 January 1949, O.I.R. Report No. 4867, IV/20, UPA.

[73]Memorandum by the Director of the Office of Far Eastern Affairs, no date, January-March (?) 1949, F.R., 1949, IX, 605.

[74]Ibid., 605.

[75] Ibid., 605-606; See also, Memorandum Prepared in the Office of Far Eastern Affairs, 14 January 1949, ibid., 600.

[76]See, "Editorial Note", ibid., 610; For China bloc efforts to restrict the Administration's latitude on this matter, see, Westerfield, Foreign Policy and Party Politics, 348-349.

[77]The ECA Administrator to the Secretary of State, 9 September 1949, F.R., 1949, IX, 689.

[78]Ibid., 689-691.

[79]Memorandum by the Director of the Office of Far Eastern Affairs to the Acting Secretary of State, 5 January 1949, ibid., 1210-1212; Memorandum by the Acting Secretary of State to the Executive Secretary of the National Security Council, 12 January 1949, ibid., 1215.

[80]For documentation on this topic see, "Evacuation of Americans from China" F.R., 1948, VIII, esp., 844-846.

[81]Memorandum by the Acting Secretary of State to the Executive Secretary of the National Security Council, 12 January 1949, F.R., 1949, IX, 1215.

[82]Memorandum by the Policy Planning Staff, 7 September 1948, F.R., 1948, VIII, 153-155.

[83]See, Ibid., 146fn.

[84]Draft Report by the National Security Council on United States Policy Toward China, 28 February 1949, F.R., 1949, IX, 494.

[85]Ibid., 494.

[86]Ibid., 494.

[87]Ibid., 494.

[88]Ibid., 494.

[89]Ibid., 494.

[90]Memorandum by the Secretary of State to the Executive Secretary of the National Security Council, 4 April 1949, ibid., 507-509.

[91]Memorandum by the Under Secretary of State to the Executive Secretary of the National Security Council, 19 August 1949, ibid., 535.

CHAPTER X

THE U.S. AND THE NATIONALIST GOVERNMENT ON FORMOSA, NOVEMBER 1948 - JUNE 1950: THE POLICY OF LIMITED ASSISTANCE REVISITED

Decision makers were deeply troubled by the ominous implications of the Communist victory in China. A National Security Council report of December 1949 referred to the existence of a Communist regime in Peking as "a grievous political defeat" for the United States and prognosticated that if Southeast Asia also were to fall under communist domination "We shall have suffered a major political rout the repercussions of which will be felt throughout the rest of the world."[1] A few weeks later the Central Intelligence Agency advised that the "urgent question" of 1950 would be whether "Soviet-oriented, China based" communism would continue to succeed in identifying itself with the nationalistic and anti-Western aspirations of the peoples of the region thus to "sweep into power by one means or another elsewhere in Asia" or whether the United States and its Western allies would be able to offset effectively communist efforts in this regard.[2]

It was the Administration's overwhelming preoccupation with developing effective means for responding to this critical situation (and the prospect of this situation),

characterized by the fact that "Access or denial of access to the coastal regions of Asia are fundamental strategic objectives of both the U.S. and U.S.S.R.",[3] that broadly determined the nature of American policy toward Formosa. Policy cannot, and should not, be distinguished from Administration efforts to develop "effective means" for obstructing a further expansion of communist power beyond China. The policy issue of Formosa, in other words, existed wholly in context of Administration deliberations concerning the requirements of containment in Asia. Thus, consistent with the Administration's presumption that policies of flexibility and maneuver would enhance the potential for achieving Cold War goals in Asia, officials sought to be as opportunistic as possible in formulating their approach to Formosa just as they had in the case of resolving those procedural policy problems discussed in the previous chapter.

However, it is also important to understand that the Administration's containment policies in Asia, including Formosa, continued to suffer from the same constraints in 1949 and 1950 that had dominated the policymaking process toward the region since early 1946. For one thing, the unrelieved existence of budgetary limitations, as well as the continued lower ranking of the Far East on the scale of American global-strategic priorities, remained important factors in producing Administration decisions. Following from this, policy planners also continued to pay considerable

attention not only to the question of what material impact but also what psychological effect the manner of the United States presence in the Far East would have on the various peoples and governments of the region as well as on vital American interests in theaters of international involvement elsewhere.

Policy necessity with respect to containment in Asia, and specifically toward Formosa, therefore, continued, in substantial measure, to be defined in accord with the larger demands of the global design of American foreign commitment. As a result Administration officials continued in their refusal to allow domestic public and congressional opinion to influence high level decisions on these matters just as they had on all Asian policy questions of strategic importance since the end of World War II.

Administration discussions concerning the problem of Formosa developed in the Fall of 1948 as a result of the Nationalist defeat in Manchuria and North China and the ensuing American presumption that this signaled the short-term conquest of China by Chinese Communist forces. Because the Allied Powers decided at the Cairo Conference that the island properly belonged under Chinese jurisdiction, the imminence of a Communist regime on the mainland invariably raised the prospect of Formosa also coming under Communist rule. In early November of 1948 the State Department asked the Joint Chiefs with reference to the nation's Western Pacific "defensive perimeter" for an appraisal

> ...of the strategic implications to U.S. security should Formosa and immediately adjacent islands, including the Pescadores, come under an administration which is susceptible of exploitation by Kremlin-directed communists....[4]

Little more than two weeks later, the Joint Chiefs gave their preliminary reply. In time of war, the JCS argued, "enemy" control of Formosa would deny the island to the United States as a potentially important "base capable of use for staging troops, stragetic air operations and control of adjacent shipping routes". It would allow an "enemy" to disrupt vital sea routes between Japan and Southeast Asia while improving an enemy's capability for successful operations against Okinawa and the Philippines. Moreover, since Formosa could be used as a major source of food and raw materials for Japan, its control by an "enemy" under wartime conditions might render Japan "more of a liability than a potential asset". On the basis of these considerations, therefore, the Joint Chiefs advised that it would be "most valuable to our national security interests" if Formosa could be denied to "unfriendly control", assuming this definition would apply if Chinese Communist rule was established on the island. The JCS concluded that "diplomatic and economic steps" should be taken to insure that Formosa remained under the control of a friendly regime. No mention was made of a possible American military defense of the island.[5]

Accepting both the Joint Chiefs' conclusions that Formosa should be denied to the Communists and the recommendation that diplomatic and economic means should be used to support a friendly regime, in mid-January the State Department raised a further question on the matter. Assuming that the Chinese by themselves would not be able to defend the island successfully against a Communist attack and since in their early December 1948 assessment the JCS had made no mention of using United States military forces to prevent Formosa from coming under Communist rule, the Under Secretary of State, Robert A. Lovett, suggested that the,

> Joint Chiefs of Staff be requested to reach a decision, in the event that the United States is unsuccessful by political and economic means in preventing Formosa from falling under Communist control, whether they regard Formosa as sufficiently vital to the United States national interest that they would be prepared to advocate that the United States go to war to prevent such a development.[8]

In their reply in the early part of February, the Joint Chiefs reiterated their previous consideration as to why Formosa should not be allowed to come under "enemy", Chinese Communist, control. They also reaffirmed their view that diplomatic and economic means be used to retain the island in the hands of a friendly regime. However, with respect to an actual Communist attack on Formosa and in spite of the strategic importance which they assigned to the island, the JCS advised that,

> The current disparity between our military strength and our many global obligations makes it inadvisable to undertake the employment of armed force in Formosa, for this might, particularly in view of the basic assumption that diplomatic and economic steps have failed, lead to the necessity for relatively major effort there, thus making it impossible then to meet more important emergencies elsewhere.

The Joint Chiefs recommended therefore that a United States military commitment to defend Formosa would be "unwise at this time."[7]

Though including what amounted to an obvious caveat to their counsel against the United States military defense of the island, the JCS did not clearly elaborate on what they meant by the phrase "unwise at this time." Consequently, in a National Security Council meeting of early March, Secretary of State Dean Acheson, asked the Joint Chiefs to clarify their position.[8] Affirming all they had said before, the JCS revealed the meaning of their qualification by noting that although they did "not believe that the strategic importance of Formosa justifies overt military action at this time...so long as the present disparity exists between our military strength and our global obligations", they nonetheless felt,

> It should be pointed out that there can be no categorical assurance that other future circumstances extending to war itself might not make overt military action entirely advisable from the overall standpoint of our national security.[9]

There the matter remained until early August when events prompted the State Department to raise the question once again. For several months, the American consulate in Taipei had been reporting the unrelieved deterioration of economic and political conditions on Formosa. Serious inflation, graft and corruption, and maladministration of the economic, political and military structures continued to characterize the practices of the rump Nationalist Government firmly in control of the island. Masses of demoralized Chinese civilians, former officials of the Nanking Government and their families and unpaid and exhausted Nationalist troops continued to flow onto the island. The danger of mutiny and consequent internal chaos appeared to be an imminent possibility.[10] In the face of this situation and "since there now appears no certain assurance that these islands can be denied to Communist control by political and economic measures alone", State officials, desiring further assurance on the issue, proposed the following specific question be put to the Joint Chiefs for their consideration:

> Under conditions short of war and on the assumption that in the absence of military measures Formosa and the Pescadores will sooner or later come under Communist control, do the Joint Chiefs of Staff regard these islands of sufficient military importance to the United States to commit U.S. forces to their occupation?[11]

The JCS reponded two weeks later affirming the validity of their earlier judgment as to the strategic

importance of Formosa. They further noted that their previous recommendation against a United States military commitment to defend the island, was, if anything, even more relevant than before in view of the limited nature of the military budget already allocated for the fiscal year ending in 1950 and because of the prospective additional obligations which the United States would probably be undertaking in accord with the implications of the North Atlantic Treaty recently signed with the West European Nations. The Joint Chiefs, however, reminded the State Department that future circumstances, and especially the critical one of war, might warrant necessary reconsideration of their opinion.[12]

Thus, by the end of August 1949, the Administration, in large measure based on the strategic assessments of the Joint Chiefs of Staff, was prepared to continue for as long as possible its policy of denying Formosa to the Communists by diplomatic and economic means. At the same time officials assumed, as the Central Intelligence Agency reported in mid-September, that in the absence of an American military commitment and because of low troop morale, maladministration and intense native resentment of the burgeoning mainland Chinese population on the island, the regime on Formosa probably would fall of its own internal weaknesses regardless of whether the Chinese Communists invaded the island or not.[13]

Despite some expressions of confusion by the State Department concerning the implications of the several reports made by the Joint Chiefs on the question of Formosa in 1949, the JCS remained fairly consistent in their thinking on the matter until the Korean War. It is true that in late December 1949 and amid further American intelligence speculation that Formosa would fall to the Communists some time in 1950, the Joint Chiefs appeared to deviate somewhat from the position they had maintained throughout the year by proposing, in addition to "a stepped up political, economic and psychological program pursued energetically", that,

> A modest, well directed, and closely supervised program of military aid to the anti-Communist government in Taiwan would be in the security interests of the United States....[14]

Though State Department officials seemed to be surprised by the suggestion and while the proposal admittedly did represent an escalation of enthusiasm in extolling the merits of an open American military association with the regime in Taipei, the JSC actually were not moving in a direction wholly at variance with a pattern of their arguments since first addressing the issue of Formosa in the Winter of 1948.

This was not the first time the Joint Chiefs had argued in favor of some form of American military presence on Formosa. In their February clarification on the issue of Formosa's importance in which they had argued against an American defense of the island, the JCS had gone on to

suggest that because of its stragetic significance, "some form of military support should be made available now for assistance and vigorous prosecution of the approved diplomatic and economic steps" for keeping a friendly regime in power. Though opposed to any involvement in combat activities by United States forces and while admitting that it would be politically risky, the JCS had suggested "the stationing of minor numbers of fleet units" at certain Formosan ports.[15] Indeed, at a December meeting between military and civilian officials, when asked by the Secretary of State as to whether the JCS were not arguing a completely new line by proposing that a military mission be sent to Formosa, the Chairman of the Joint Chiefs, General Omar N. Bradley, recalled this February suggestion of a "minor" naval commitment in defense of the consistency of JCS thinking.[16]

It is also important to remember that the JCS had always hedged their recommendations against a military commitment to Formosa by suggesting with the use of qualifying phrases that "other future circumstances" might require a reassessment of their recommendations. Although the JCS never explicitly defined what they meant in this regard, the emphasis of the arguments present in their reports all along seems, at least, to imply something of what they intended. The primary reason the Joint Chiefs opposed a United States military commitment to defend Formosa against

a Communist attack was because of the fact of limited resources and the need to apply them in areas of the world more important than Asia. On each occasion the JCS were asked to assess the question this remained their fundamental reservation. This repetition in the JCS argument strongly suggests that if sufficient resources had been available both for meeting United States obligations elsewhere and for increased levels of deployment in Asia, then the Joint Chiefs would have advocated an American military commitment to defend Formosa in view of the strategic importance which they attached to the island.

This, of course, was not what the Joint Chiefs were suggesting ought to be done by proposing that a military advisory mission be sent to Formosa in December of 1949. In the pre-Korean War period, the JCS remained true to their conviction that the limited availability of resources would not allow the United States to defend the island. In the early part of 1950, for example, the State Department again approached the Defense Department, specifically the Joint Strategic Survey Committee, on the issue of defending Formosa by posing the hypothetical question: What if the State Department was to decide that saving Formosa was vital for political-prestige reasons, would the military establishment in that event be willing to sanction an American defense of the island? The response was consistent with past advice: Even if a political decision was reached along

these lines, forces could not be made available for this purpose without upsetting general military-strategic planning with respect to the need to conserve resources for meeting other more vital obligations.[17]

However, it appears that virtually from the point at which they first began to consider the question, the Joint Chiefs were extremely concerned with reconciling the policy dilemma which they had created by arguing, on the one hand, that Formosa was strategically important with respect to the American presence in the Western Pacific while, on the other, advising that, despite this importance, the United States could not commit itself to a defense of the island. It is suggested here, that by including, as a part of their counsel on the Formosa question, the qualifying consideration that "other future circumstances" might require a reconsideration of their objection to United States defense of the island, the Joint Chiefs hoped to establish, for the record, an opening by which this uncomfortable dilemma could be moderated to the extent that future opportunities would allow.

Keeping this in mind, it is important to observe that in two important respects "circumstances" had changed dramatically by the end of 1949 when the JCS made their recommendation of sending a military advisory mission to Formosa. Of major significance was the fact that the policy-making atmosphere was different. Since the summer decision

makers had been working under conditions characterized by a sense of crises and urgency: crises born of the Soviet detonation of an atomic device and the loss of China and the broad assessment that the international communist movement, confidently aggressive on the basis of its recent success, had taken the initiative in world affairs and, as a result, that the security of a "free world" was under serious attack; urgency born of the fear that, in the face of these dangerous circumstances, the general tenor of existing United States foreign policy might not be adequate to meet the challenge and that it was imperative to formulate more effective means by which to thwart the further success of international communism.[18]

As mentioned in the previous chapter, in context of this situation and as they pertained to Asia, four separate though related policy reviews had been undertaken in the Summer of 1949: the White House initiated full-scale reassessment of United States foreign objectives - the NSC 68 study; the Defense Department requested National Security Council re-evaluation of United States Far Eastern policy - the NSC 48 study; the in-house State Department review of Asian policy by the Committee of Three; and the Joint Chiefs of Staff study on the feasibility of renewed programs of military assistance to save Southern China.[19] By the end of the year all but the NSC 68 study had been completed.

Taken together, the findings of these several studies painted an exceedingly ominous picture of conditions in the world and specifically in the Far East while at the same time presenting uniform consistency in their implications that dramatic new steps were going to have to be taken in order to deal effectively with the mounting dangers of Soviet aggression. Consequently, it was only natural that the Joint Chiefs would have developed some sense of urgency for the need to recommend new and and effective measures for dealing with deteriorating conditions in Asia. Besides, the JCS did not have to be convinced that with respect to the possibility of compromising vital American interests, circumstances in East and Southeast Asia had changed for the worse. Their own study concerning the feasibility of a program of American military assistance to defend Southern China, which had been released in October, was predicated on this very assumption.[20]

In addition to a dramatically altered decision making atmosphere which encouraged devising new means for wresting the initiative from the communists, it is also important to point out that increasing resources for moving in a more active policy direction either were already present or in the process of being developed. For one thing, the Mutual Defense Assistance Act of October had allocated a yet unspent 75 million dollars for use in the "general area of China".[21] Moreover, one of the major

interests of those responsible for the ongoing NSC 68 study was to establish, as a part of their finished document, convincing argument in support of expanding military expenditures vastly beyond the 15 billion dollar ceiling which had existed since the end of World War II.[22]

Thus although the general problem of budgetary limitation still existed in 1949 (only 13.5 billion dollars had been appropriated for military use for the fiscal year ending in 1950), it is nonetheless significant to observe that the JCS proposal to dispatch a military advisory mission came in context of a situation characterized both by the actual availability of monies and by the possibility of further monies which could be deployed in support of new policy projects in the Far East.

In a word, it appears that what the JCS intended in December of 1949 in proposing a military mission to Formosa was, from a military point of view, merely to place their bid with respect to the question of how new monies, actual or prospective, could best be used to offset further Communist success in the Far East. The fact this alternative was rejected should not lead to the conclusion that the JCS, in making their December proposal, were either inconsistent in terms of the arguments which they had maintained all along or out of tune with respect to the nature of the policymaking environment which by late 1949 was extremely encouraging of the sort of suggestion they made.

Be that as it may, the Administration's policy toward Formosa was based on a good deal more than the reporting of the JCS as to the strategic importance of the island. Although the Joint Chiefs' arguments in this regard were largely responsible for determining the goal of keeping the island from Communist control, it was State Department thinking on the matter which had the decisive impact in developing the general tenor of policy.

With respect to the problem of Formosa, State Department officials accepted, without question, the Joint Chiefs of Staff assessment, given in mid-November of 1948, that Formosa was of considerable strategic importance vis-a-vis the American position in Japan, Okinawa and the Philippines, that it would be especially important to deny the territory to "enemy" control in the event of war, and that, in view of these considerations, it would be advisable for the Administration to initiate "diplomatic and economic" procedures designed to insure that the island remain under the control of a regime friendly to the United States. State officials also accepted the later JCS clarification of this November assessment that because of the limited level of resources available for deployment in support of foreign policy objectives, it would not be feasible for the United States to use armed force to defend Formosa, under the existing circumstances, without at the same time running the risk of being unable to meet American commitments in areas of the world more important than East Asia.

On the other hand, had the Joint Chiefs argued, limited resources and obligations elsewhere notwithstanding, that Formosa was important enough to require a defense by American forces, controversy undoubtedly would have emerged over the issue. It is apparent that even before the end of 1948 State officials had formed a series of political reservations about establishing an American military presence on Formosa, in fact, doubts also about the advisability of allowing any sort of official presence on the island which appeared too visible.

State Department objections emerged amidst discussion in 1948 on the issue of what to do about United States naval forces stationed in North China at the port City of Tsingtao in view of the Nationalist evacuation of the area. Some naval officers had argued that even with the Nationalists gone it was strategically important for the United States to maintain a naval base in the North so as to offset the Soviet presence in Dairen and Port Arthur.[23] The prevailing view in Washington, however, was that with the Communists in control of the city an American military presence would run too great a risk of an armed clash with Communist forces.[24] As a result, and in light of existing American policy which was to continue to recognize and support the Nationalist Government, from the military point of view there appeared to be two primary alternatives for relocating the naval units from Tsingtao: either to station them at Amoy or on Taiwan.[25]

State Department officials generally argued against re-establishing another American naval station subsequent to the withdrawal from Tsingtao in accord with the decision that the Joint United States Military Advisory Group, commanded by General David G. Barr, probably would have to be withdrawn from China altogether in the near future.[26] On the other hand, while rejecting the option of Amoy because of the possibility the city would fall to Communist control within a relative short period of time thus producing the same conditions which had forced evacuation from Tsingtao, State went on to propose that if, by chance, the Administration did reach the conclusion it was,

> ...desirable to maintain a U.S. naval installation in Chinese waters, the location of the installation on Taiwan would appear, in light of the progressive disintegration of the National Government position, much more tenable politically and economically than...any other mainland city.[27]

Nevertheless, this option of establishing an American naval presence on Formosa posed a series of problems which it would be preferable to avoid. For one thing, State officials argued, a United States military facility on the island undoubtedly would precipitate a mass influx of Chinese refugees seeking safe haven from the chaos of war on the mainland. Not only would this lead to unwanted pressures on the United States born of "the belief that they would be protected by the U.S. Navy" but a rapid increase in

the numbers of the mainland Chinese "would inevitably include large numbers of predatory politicians and carpetbaggers, could only increase the burden on the island's economy and exacerbate the present Taiwanese hatred of mainland Chinese."[28] Such a situation also would be extremely conducive to Communist infiltration with the ironic result that "the stationing of U.S. naval forces on Taiwan would... facilitate rather than prevent the spread of Communism on the island." Moreover, it would lend "credence to Communist charges that we are preparing to detach the island from China" thus precipitating possible reprisals against American citizens and property in Communist-held territories.[29]

Finally, and a consideration which throughout the course of 1949 and into 1950 would be recited time and time again in State Department thinking about Formosa, officials speculated that an American military presence on the island,

> ...would strengthen the position of the Chinese Communists politically as defenders of China's integrity against U.S. imperialistic aggression, and would tend to unite all Chinese regardless of political affiliations or beliefs in a movement for the restoration of Chinese territory. The U.S. would, in brief, have largely succeeded to the position of Japan.

At the same time, "Those forces opposing us throughout the world would seize the opportunity thus presented to charge us with imperialistic and predatory designs upon Taiwan."[30]

This is not to suggest that the State Department was adamantly opposed to the use of force if it should ever happen to be the only remaining option for achieving the objective of denying the island to the Communists. In a mid-January 1949 memorandum to the President, the Acting Secretary of State, Robert A. Lovett, wrote that,

> The Department of State fully recognizes that it may be necessary at some stage for the United States to take military action if Formosa is to be denied to the Communists.[31]

Envisioning the possibility that economic and diplomatic steps could well fail to keep Formosa from Communist control, he suggested that, "The United States should, as it is now doing, prepare...(to)...put itself in a position to intervene with force if necessary."[32] Despite the fact that the question of an American military commitment to save Formosa remained somewhat unsettled until early April when after two State Department requests - one in mid-January and the other in early March - the Joint Chiefs of Staff finally and specifically qualified the nature of their opposition to an American military defense of the island, at no time does it appear that State officials ever considered the option of supporting an overt, unilateral American effort to this end. Indeed, in the same mid-January memorandum, Acting Secretary Lovett went on to suggest that any United States use of force,

> ...should be publicly based not on obvious American strategic interests but on principles which are likely to have support in the international community, mainly the principle of self-determination of the Formosan people.[33]

Warning that "the United States should go to great lengths to avoid crude and unilateral intervention", he proposed that once the Administration had exhausted all political means for saving Formosa and yet it still appeared the island was in danger of being captured by the Communists, then the United States might request United Nations intervention in the matter.[34]

This remained the State Department's position on the matter until the Korean War although by the end of 1949 and into 1950 there were an increasing number of State officials who were willing to consider a unilateral use of force in the case of Formosa as a symbol of the American commitment to resist further communist expansion in Asia. Nonetheless, the prevailing attitude was that unless Formosa could be denied to Communist control through some multilateral action the political costs of unilateral intervention would not be worth the advantage gained by keeping the island out of Communist hands. The strategic assessments of the Joint Chiefs concerning Formosa never contradicted this view and with respect to the objective of denying Formosa to Communist rule, in the period prior to the North Korean attack, events never proved to encourage the Administration

to pursue the option of placing the issue before the United Nations.

By the beginning of 1949, the Administration's sense of the requirements in formulating a policy toward Formosa was determined almost wholly in accord with what officials believed was necessary in order to contain the spread of communism beyond China. Observing that, "within China it is unlikely that any action taken by the US can reverse an unavoidable trend", in November of 1948, the Central Intelligence Agency suggested that "for the immediate future, US action in the Far East is probably limited to the maintenance and - if possible - improvement of the US position in the peripheral areas."[35] However, the nation's capacity for improving the American position in the "peripheral areas", the CIA argued in a following report, would be contingent on the degree to which the Administration's approach to the problem was successful in,

> ...persuading the peoples and the political authorities of the states in the immediate regions that their political aspirations and security interests can be satisfactorily identified with those of the US. This problem also includes that of developing a general conviction that aspirations will be forwarded and security protected simultaneously with the protection of US interests.[36]

"Persuading the peoples" of the region, though, was a problem fraught with two fundamental complications

reflected in the C.I.A.'s use of the terms "security interests" and "political aspirations". By Asian "security interests", the Agency meant that unless the Administration demonstrated some effective policy for obstructing further communist success in East and Southeast Asia, then the non-communist groups and governments in the region would never be able to generate much confidence in the utility of developing sustained defensive associations with the United States. The CIA observed in the same November 1948 report,

> There is no doubt that US policy with respect to Nationlalist China has been watched with close attention - in particular that aspect of policy which apparently linked aid with checking Communist expansion. It is inevitable that the governments, parties and politically conscious groups in the states bordering China should come to a negative conclusion about the effectiveness of such a policy. This conclusion will probably raise serious doubts about the advisability of relying on US assistance as a counter-balance to the demonstrated success of Communist forces. The propaganda advantage of this situation will certainly be fully exploited against the US and the need for a counter-effort is clearly indicated.[37]

On the other hand, with respect to the category of "political aspirations" of the peoples of East and Southeast Asia, the Central Intelligence Agency continued in subsequent reports to outline the other complication which the Administration would face in developing its Asian policy in late 1948 and early 1949. The effective capacity of the

United States to "check and reverse" the expansion of communist power beyond China, the CIA explained in a December 1948 study, "is presently hampered by the US being in a middle position between the demands of Asiatic nationalisms and the policies of Western European states."[38] Little more than a month later the Agency expanded on the theme,

> The essence of the problem since 1945 has been how to satisfy the nationalist aspirations of colonial peoples while at the same time maintaining the economic and political stability of European colonial powers.

The report went on,

> An adequate solution of the first part of the problem is essential to the protection of long-term US security interests in the Far East. An adequate solution to the second part of the problem is essential to the support of immediate security interests in Europe.

In conclusion, warned the CIA,

> US security interests in Europe and the Far East are in danger of appearing as mutually exclusive, when, in fact, the power position of the US vis-a-vis the USSR requires that they be pursued concurrently.[39]

Without compromising the interests of Western nations, American policymakers were convinced that unless the Asian end of this dilemma was satisfied, the Far East would become a wide open field for communist penetration. In this regard, officials believed that the containment of communist power was less likely to be effective in the short

or the long run if based on the use of force in a manner comparable to that which had characterized the European presence in Asia over the previous century. Methods of coercion merely would fulfill the prophecy of communist propaganda concerning the historical malevolence of capitalist society. On the other hand, containment priorities would be much better served if based on concerted efforts by the United States, and other Western nations to persuade the people of Asia that their political and economic future would find greater advantage through continuing association with a non-communist West. Thus, and with respect to this need, the nature of American policy would have to remain, at all points of its application, sensitive to the predominant post-World War II aspirations of Asian peoples, namely, the desire to rid the region of all vestiges of Western imperialism.[40]

It is possible that this particular calculation might have had considerably less weight in the policymaking process toward Asia in 1949 had the Administration possessed sufficient economic and military resources to become more actively and coercively involved in the region without compromising the nation's ability to fulfill its foreign policy obligations elsewhere. Be that as it may, under the circumstances, devising means by which to satisfy the anti-imperialist impulse continued to be a very important consideration in the Administration's formulation of Asian policy.

In sum, by the beginning of 1949, few, if any, in the Administration were willing to argue against taking some sort of action in the case of Formosa. As it happened, the various strains of inter-agency thinking, concerning the question of what was necessary to keep the island from Communist rule, were able to realize common grounds for agreement. The political caution of the State Department found a convenient conceptual ally in the military-strategic reservations expressed by the Joint Chiefs of Staff against any American military defense of the island. At the same time, the emerging official view that the United States needed to demonstrate an American capacity to obstruct further Communist success proved a likely companion to the JCS argument that while a military commitment would not be feasible, the strategic importance of Formosa nonetheless warranted the use of diplomatic and economic means to prevent the island's coming under "enemy" control.

State Department officials argued that about the only way in which it would be possible to fulfill the various objectives patched into Formosan policy would be to foster the emergence of an effective and efficient non-communist regime on Formosa. Unlike the government in Nanking, the regime would have to be free of graft, corruption and maladministration. It would have to be reform oriented, sensitive to the needs of economic growth and social and political stability. And it would have to be

attentive to the aspirations of the native Formosan population.

Of fundamental significance in the Administration's concern about the nature of the regime was the fact that it would make little sense to attempt to defend the island by giving economic assistance unless officials could expect that the aid would be used properly and effectively. In a related vein, neither would American officials be able to anticipate that their goal of delivering a sound political defeat to the Communist momentum in Asia would prove successful unless the regime was reasonably honest and effective. Giving assistance to some facsimile of the Government in Nanking, on the other hand, would merely tie American prestige into another losing cause, thus, instead of deflating the bubble of its success, would make the Communist band wagon only that much more attractive.

In addition, since there were limits to what the United States would be able to do unilaterally in providing for Formosan security, only an honest regime would have any good chance of itself assuming the principal responsibility for denying the island to Communist control. Moreover, the Administration wanted to avoid at all costs the spectacle of the United States giving active support to a corrupt and graft ridden regime which in the absence of foreign backing would likely fall of its own internal weaknesses. Finally, in the event diplomatic and economic means failed to achieve

the desired objectives, and yet the Administration determined it would have to take further steps to keep the island under friendly control, it was also important to encourage the emergence of an honest regime so as to create a justifiable and credible basis for some future possible multilateral use of force to this end.

Following from this general line of reasoning, in the latter part of January 1949, the State Department outlined in a report to the National Security Council the essential options which the Administration faced in formulating a policy toward Formosa. First, the option of an outright United States reoccupation of the island was dismissed out of hand because it "would be cynically viewed by the international community"; would be contrary to the principles of the United Nations; would provide a tremendous propaganda weapon to the Communists in China, in Asia and throughout the world; and finally would endanger American citizens and property on the mainland by inviting Communist retaliation.[41]

The second option, that the United States negotiate an agreement with the Nationalist Government to obtain base rights for the stationing of American military forces on the island, State officials also dismissed for much the same reasons as in the case of the first option, adding that for the purpose of protecting its own nationalistic credibility the Government in Nanking could never accede to such a request. State officials went on,

> In any event, such concessions would be an illusory defense against Communist capture of power through penetration or a deal (with a regime on the island). Military bases are not a sovereign remedy against Communist infection in a foreign country. As often as not they are an aggravating factor. U.S. national interests would only be served by Formosa's being controlled by a[42] government not friendly to the USSR. (parenthesis added)

This particular option did remain alive throughout February on the basis of the mid-month Joint Chiefs of Staff's suggestion that "minor numbers of fleet units (be stationed) at suitable Formosan ports". However, the proposal was rejected in early March in favor of the argument by the State Department that in addition to granting the Communists a propaganda leverage, any American military presence in Formosa, even if merely symbolic, "would galvanize all mainland Chinese opinion in support of the Communists, the very thing we must avoid if our political warfare is to have any degree of success in China."[43] In a National Security Council meeting on March 1, the Secretary of State expanded on this theme by suggesting that not only would all Chinese be united in their opposition to such a move, but as well it would leave the United States open to charges of imperialism and colonialism thereby reducing or eliminating the opportunity for the Administration to pursue effectively the propaganda line of accusing the Soviet Union of unwarranted interference in the Chinese territories of Sinkiang,

Outer Mongolia and Manchuria. The Secretary observed generally that with respect to the question of United States military bases on the island,

> We cannot afford to compromise an emerging new US position in China by overtly showing a pronounced interest in Formosa. It is a cardinal point in our thinking that if our present policy is to have any hope of success in Formosa, we must carefully conceal our wish to separate the island from mainland control.[44]

In any event, the third option posed by State in its January report to the NSC, that of aiding in the emergence of a native Formosan regime, officials appeared to view as the ideal alternative, although impractical because "The Japanese prevented the development of native political life and the Chinese liquidated most of the developing native leaders in the abortive revolt in 1947", with the consequence in 1949 that "The indigenous population is without political experience, organization or strong leadership." Nonetheless, State officials did go on to argue that "discreet" contacts be maintained with the native Formosan leaders "with a view at some future date of being able to make use of a Formosan autonomous movement should it appear to be in the U.S. national interest to do so."[45]

The fourth option suggested by the State Department, to support on Formosa the Nationalist Government, "or a rump thereof as the recognized Government of China" (italics in the original), appears to have been one of the least

desirable from the State Department's point of view. Officials clearly preferred, in fact thought it imperative, to separate the problem of denying Formosa to the Communists from the one of continuing United States association with, and recognition of, the Government in Nanking. State assumed that to follow this option would merely encourage the transfer to Formosa of all the deficiencies of the Nanking regime, and, as a result, all those same political liabilities which the United States faced in continuing to support the Nationalists on the mainland.[46]

In fact, in a very real sense, the American desire to contain communism, to obstruct its success beyond China, also included the parallel hope of confining to China as well all the shortcomings and weaknesses which had characterized the Administration's policy of supporting the Nationalist Government since 1946. The association with the regime had been extremely unsatisfactory from the American point of view, unsettling and controversial at times, distasteful in terms of giving assistance to a government which few in Washington liked and finally thoroughly unproductive with respect to the Administration's priority of restricting and reducing Soviet power and influence in East Asia. In 1949 with the Administration intent on formulating new and effective means by which to contain further communist expansion in Asia, officials did not want to find themselves again tied into a situation comparable to the one which they

had faced in China for the previous several years and this included Formosa. Indeed, Administration calculations concerning the requirements for successful containment of communism in Asia, specifically precluded any future American association with the sort of regime which from Nanking had consistently misgoverned China over the years. It is not surprising, therefore, that State Department officials strongly opposed the fourth option of supporting the Nationalist Government on the island, arguing that,

> This would increase risks of immediate local instability, provide the most fertile environment for the growth of communism, greatly complicate our position on the mainland and hamstring our tactical flexibility toward China proper.[47]

The fifth option, "to support continued local non-communist Chinese control", the State Department advised, appeared to be the best policy alternative under the circumstances. While admitting there were definite limits to what the Administration would be able to do by way of influencing the situation in the desired direction, State officials argued that this option "would permit greater freedom of U.S. action in China" and was the only one which appeared to have any chance of achieving American objectives on Formosa.[48]

State suggested two essential courses of action with respect to this alternative and the essential goal of encouraging an emergence of an effective regime. First,

local Chinese should be approached and advised that the United States could not be expected to give support to a regime characterized by any form of misrule or one insensitive to the requirements of economic and political stability on the island. At the same time, it would be clearly indicated that the United States was quite willing to render economic and diplomatic assistance in support of a local non-communist Chinese regime which showed promise of providing decent government for the island. Second, because "the U.S. has no desire to see chaos on the mainland spread to Formosa and the Pescadores", the State Department argued that it would be necessary to use American "influence wherever possible to discourage the influx of mainland Chinese."[49] There were several reasons for this. For one thing the arrival of large numbers of mainland Chinese would have catastrophic effects on Formosan economy, leading especially to the condition of uncontrolled inflation, not to mention the multiple problems caused by mismanagement, graft and corruption. Also, since most of the refugees either were soldiers or officials of the collapsing Nationalist regime, unless the immigration was halted all the evils of the Nanking regime, political and social, as well as those economic, would be transferred to Formosa. The real danger, of course, was that unless the influx of Kuomintang Chinese was succssfully checked, it would be only a short period of time before they managed to consolidate

their own authority on the island, thus eliminating the preferred policy option of encouraging the emergence of an effective local regime.

In early February the President ordered the National Security Council to develop a program of economic and diplomatic assistance to Formosa consistent with the general intent of this fifth option outlined by the State Department.[50] Accordingly, plans were made to strengthen American representation in Taipei though with respect to the important directive that "in the initial stages every care should be exercised to minimize the appearance of United States official activities on Formosa...." Also, a "special high ranking" diplomatic officer would be sent to talk with local Chinese authorities, informing them that if they were willing to demonstrate an ability to provide effective government on the island,

> The United States Government is prepared under legislation approved by Congress and by such other means as may be feasible, to give support...designed to assist in developing and maintaining a viable, self-supporting economy on the island.[51]

Having obtained such assurances, the Administration could then instruct the Economic Cooperation Administration to undertake a series of studies, not only with respect to reporting on the short-term needs of the island, but as well concerning the feasibility of initiating industrial projects in context of an "overall" program of economic assistance.

At the same time, in addition to expanding its official representation in Taipei, the Administration would continue to look for further opportunities to strengthen the position of the regime by diplomatic means.[52]

Whatever chance such a policy had to succeed, the Administration's decision to encourage the emergence of a local non-communist and a non-Nationalist Chinese regime was doomed from the outset. On the same day the State Department had submitted its January report on Formosa, the Central Intelligence Agency reported, "The fact that Chiang Kai-shek's government was preparing a retreat on Taiwan has considerably changed the situation in this strategically important island." Acknowledging that "The most immediate security problem for the US rises in connection with Taiwan, for here a serious threat to the US strategic position in the Western Pacific can rapidly develop", the Agency went on to describe the problem, "The National Government has now provided for adequate military control of Taiwan and has well advanced its preparations for using this island as a safe haven for the last remains of Chiang Kai-shek's authority." As a result and fundamentally subversive of the State Department's policy proposal, the CIA report offered that,

> It is now difficult to see what can be done to safeguard US strategic interests there that does not simultaneously raise the question of commitments to a rump Nationalist regime.[53]

Nonetheless, in early April, the State Department designated the Counsellor of the American Embassy in Nanking, Livingston T. Merchant, to proceed to Taipei as its "special high ranking" diplomatic officer to consult with local Chinese authorities concerning the question of American backing for an effective non-communist regime on Formosa. Actually, as a result of Merchant's advice, the State Department had delayed sending him to Taipei in March, in hopes that the political situation there might improve to the point of making the Administration's task easier to accomplish.[54] American officials knew that the Governor of the island, General Chen Cheng, had been appointed by and was loyal to Chiang Kai-shek. So long as Chen remained in his post it did not appear that there was much chance of accomplishing policy objectives.

However, there was some continuing hope that Administration policy might succeed on the basis of a favorable resolution of factional infighting for control of the Kuomintang Party apparatus between Chiang Kai-shek and Li Tsung-jen who had assumed the Presidency of the Nanking Government subsequent to the former's having fled to Formosa in January 1949. If the reformist oriented Li somehow managed to maneuver into a position of political prominence, thus eclipsing the Generalissimo's power, then it might prove possible, American officials thought, to remove the pro-Chiang governor of Formosa and replace him with a more

responsible individual, preferably the American trained and liberally oriented General Sun Li-jen.[55]

The State Department had hoped that the Sun Li-jen replacement as governor could be engineered in advance of Merchant's arrival. To no avail, Merchant was finally instructed to proceed, carrying with him the knowledge that the expectation of a Sun appointment was a weak reed to stand on. Initial contacts with the island's governor proved disappointing, confirming Merchant's and the Administration's belief that so long as General Chen remained in his position there was little possibility of the local regime moving in a reformist direction. The hope for a change of governors was also short lived. It was altogether apparent that Chiang Kai-shek was firmly in control on Formosa and had no intention of diluting this control by allowing any except his own local supporters to occupy positions of importance in the island's administration.

Merchant's stay on Formosa was short. With General Chen continuing as Governor, and because of a rapid deterioration in political and economic conditions on the island, not quite four weeks after his arrival, Merchant reported in the early part of May that,

> Whereas a month ago the possibility existed (that) Formosa might become autonomous and be run for (the) benefit (of) its people by (an) enlightened governor, it is now almost certain that ...it will be developed as a fortress which is not compatible with rational economic development of (the) island nor

> (the) application (of) measures necessary to secure popular support and (the) political development of Formosa.[56]

As a result, the policy toward Formosa based on the option of seeking to encourage the emergence of an honest and effective regime for the island, Merchant concluded, was in need of a full scale review and revision. Heeding his advice, the State Department recalled Merchant to Washington on May 9 for consultation.[57]

In view of the elimination of any immediate opportunity for creating effective government on Formosa, the Administration faced bleak policy prospects with respect to the hope of denying the island to the Communists. By the Summer of 1949 roughly 300,000 Kuomintang troops had arrived on Formosa. The soldiers were ill-paid and morale was low. They were defeated and disorganized. There was no well organized high command or effective central military planning. Their loyalty was in serious doubt and there was talk of mutiny. There was no assurance these military remnants would fight to defend the island and there was a good possibility that wholesale disertions would occur with numerous units surrendering in the face of a Chinese Communist invasion. Military leadership, for the most part, remained in the hands of those whose incompetence had been an important contributing factor to the steady disintegration of Nationalist armies in the mainland over the previous year.

In addition, more than a million mainland Chinese, mostly supporters and officials of the Nationalist Government, had emigrated to the island since the late months of 1948. They brought with them all the political ills associated with the Nanking regime - to the extent that a government structure existed on Formosa, to include the continuing practices of graft, corruption, and extortion. Besides their political and military presence, the social existence of large numbers of mainland Chinese on the island created intense feelings of animosity and bitterness on the part of native Formosans who wished to have control of their own internal affairs.[58]

In order to maintain this burgeoning and essentially unproductive Chinese population, more and more paper money was printed, thus producing drastically high rates of inflation. Despite considerable economic and financial resources on the island, moreover, the economic structure continued to be subject to administrative incompetence and mismanagement. Requirements for economic stabilization appeared to be virtually nonexistent, and Economic Cooperative Administration officials were advising that other than marginal increments of American economic assistance either would be misused or else would contribute further to instability and inflation.[59] On top of all this, since, in the American view, the regime headed by General Chen Cheng, "typified the unlightened leadership of the most reactionary element in the KMT" ... (so it followed that it was),

> ...incapable of providing Formosa with the sort of liberal government which alone could...build up political stability on the island which would minimize, if not eliminate, its susceptibility to Communist infiltration and ultimate seizure of control from within.[60]

Beginning in May, therefore, and extending through the Summer, the question of how the Administration should respond to this situation continued to be a major topic for discussion in Washington. Increasingly pessimistic about the prospects of being able to deny the island the Communist control by diplomatic and economic means alone, as outlined above, in early August the State Department again approached the Joint Chiefs of Staff requesting a response to the question of whether, in view of the failure of economic and diplomatic measures, would they now "regard these islands of sufficient military importance to the United States to commit U.S. forces to their occupation?"[61] The JCS response was familiar, that no, the United States did not possess the resources to defend Formosa through the use of military force, though, in their estimation the island was still of sufficient and strategic importance to warrant further economic and diplomatic efforts to keep it from Communist control.[62]

In view of the Joint Chiefs' reaffirmation of their earlier assessment and given the primary interest of decision makers in developing effective procedures for containing Communist power in Asia, nothing could have been

more exasperating for American officials than the prospect of having to formulate a policy in response to the existing situation on Formosa. It appeared to be a microcosm of the one which policymakers had faced in monitoring the American commitment on the mainland since 1946 and the one which, along with all its strategic risks and political liabilities, officials had hoped finally to be rid of subsequent to the final defeat and elimination of the regime in Nanking. Instead of enjoying the freedom to maneuver in new and more fruitful directions for the purpose of obstructing further Communist expansion, the Administration again found itself confronting on Formosa, just as it had in the case of China over the previous several years, a situation which, because of military-strategic considerations, required the United States to follow a policy characterized not by any realistic prospect of its being able to achieve successfully Cold War objectives but one having as its major preoccupation that of devising ways to postpone failure for as long as possible.[63]

Although there was some differing emphasis within the Administration as to which procedures the United States might follow with respect to the problem of Formosa, by early October of 1949 officials were more or less agreed on talking about four main options, none of which appeared very satisfying: (1) turn the issue over to the United Nations for final resolution; (2) immediately cut all American ties with the regime allowing it to fend for itself; (3) expand a

program of economic and military assistance to the regime to the maximum extent feasible though short of making any commitment to defend the island; and (4) maintain a low profile through implementation of a "moderate-sized" commitment of economic assistance to Formosa while continuing to render diplomatic support to the regime.[64]

The first option, that of turning the problem over to the United Nations, was not actually rejected but retained as a possible future alternative should it ever prove feasible to move in this direction. Officials acknowledged, however, that there could well be a series of complicating factors to consider on this score. For one thing, successful action by the United Nations would require considerable encouragement and support from the West European Allies. Indeed, from the point at which the option began to be discussed in Washington, the Administration presumed it especially important to consult with the British and, in response to American queries, as late as the end of May, the British Foreign office initially argued that because of the threat it would pose to the American position in the Philippines and the European presence in Southeast Asia, "under no circumstances" should Formosa be allowed to fall into Communist hands.[65]

However, by the early part of September and for much of the same reasons which had produced the Administration's own reassessment, the Foreign Office had changed its

mind and saw no way that the island could be prevented from coming under Chinese Communist control.[66] This opinion did not change and by early November British diplomats in Washington expressed their concern about continuing American shipments of military items to Formosa and the possibility that, because the island was expected to fall under Communist rule, any further stockpiling of military supplies would have the effect of merely strengthening the Communist capacity to carry out offensive operations against Hong Kong.[67]

It is not clear, though, for how long the British would have been able to see eye-to-eye with the United States on the question even had circumstances not been such as to lead both Washington and London to conclude simultaneously that Formosa could not be saved from Communist control. It is important to understand that already by the Fall of 1949 the British were waivering in the direction of extending recognition to the Communist regime. Despite American entreaties to the contrary, increasingly the British were of the belief that this was the only way in which they would be able to protect their rather substantial economic interests located in China as well as reduce to the maximum extent the threat to their extremely important political and economic position in Hong Kong. The ability to achieve these objectives, however, would have been fatally compromised by any British involvement in efforts to

detach the island from mainland control, or, for that matter, even involvement in activities designed to confuse the issue of a Communist government's legal right to claim sovereign jurisdiction over Formosa. Thus by the end of 1949 it seems unlikely that the United States would have been able to count on British support in attempting to attain United Nation's backing for a scheme to deny Formosa to Communist rule.

Moreover, the British were undoubtedly right in suggesting in a Foreign Office brief presented to the State Department in September that "The possibility of the Formosan case being submitted to the UN is unlikely and might even cause more harm than good if done." What the British had in mind was that United Nations' action could only be undertaken on the basis of a serious question being raised about the legal status of Formosa as Chinese territory and therefore properly falling under the jurisdiction of a duly constituted government in China.[68]

American speculation about using the United Nations' option, in fact, was based on the view that the international legal status of the island, which had been declared by the Allied Powers at the Cairo Conference in 1943 as belonging under Chinese jurisdiction would have to be altered in favor of creating grounds for arguing the necessity of a UN trusteeship leading to a plebiscite and eventually to Formosa's status as an independent nation.

Any effort to do this not only would have involved a tortured and dubious complex of legal doubletalk but as well invariably would have been opposed by the Soviet Union. This potential difficulty was what the British had in mind by including in the same September Foreign Office brief the observation that "There is no possiblity of the present legal status of Formosa being altered without Four Power agreement."[69] Besides, since processing the issue through the UN, "would result in an undesirable time lag before any positive action by the United Nations could be initiated", in the meantime Formosa might be lost for all the talking.[70]

There were two other problems with the United Nations' option. First, there was little chance that the Chiang Kai-shek controlled regime in Formosa would ever agree to the question of the island's status being submitted to the United Nations. Since any future UN action would be contingent on ignoring the wartime declarations of the Cairo Conference in favor of developing a legal basis for establishing a trusteeship leading to a plebiscite, Chiang and his supporters could not have been too happy with the possibility that elections - which would have included native Formosans who outnumbered mainland Chinese by a wide margin - might result in a vote unfavorable to the existing regime.

Moreover, it would have been impossible to undertake a UN involvement in the internal affairs of Formosa

without at the same time raising extensive questions about the nature and quality of the island's government. In other words, a United Nations' presence invariably would have included intense pressures for economic, political and social reform -- an ominous prospect for that particular complex of vested interests upon which Chiang Kai-shek's power continued to rest and whose political and economic habits could not afford the disruption which reform was sure to cause. Thus, as the State Department pointed out in a draft memorandum to the National Security Council in early June of 1949,

> Another difficulty is the possibility that the Chinese authorities on Formosa might refuse to accept the decision of the United Nations and block the entry of a Plebiscite Commission, thereby challenging the United Nations and raising the question of backing the decision with force.[71]

Since the prestige of the international organization would be on the line, the possibility of having to deal with this contingency could not have helped but to make policymakers think twice about the advisability of submitting the problem to the United Nations.[72] However, American officials were deterred from this option for another very important reason which related specifically to the question of UN military action either for the purpose of enforcing the organization's decisions on the Chiang regime, possibly even replacing it, or to protect the island from Communist

efforts to seize control. In either case, American policy-makers could not avoid being influenced by the fact that the United Nations had no peacekeeping forces in existence. Administration officials knew that the principal burden of creating such a force would fall directly on the United States both in terms of manpower and resources. In view of the military strategic focus of Administration thinking about the whole question of Formosa, therefore, decision makers involved in determining whether or not to place the matter before the UN could not have helped but to be affected by the implications of a statement made by the Joint Chiefs of Staff in a memorandum submitted to the National Security Council in the latter part of August,

> The suggested possibility of a future joint or concerted Formosan action with other governments within or without the framework of the United Nations would, from the military viewpoint, have serious implications in that our own military involvement in Formosa might differ little in degree from that envisioned as a result of unilateral occupation.[73]

To repeat, the UN option continued to be discussed in one form or another even in 1950, though there never developed any serious movement on the part of the Administration to turn the issue over to that organization prior to the Korean War. For the reasons suggested above, officials were never able to view it as a feasible alternative.

The second option policy, an immediate severance of all American ties with the regime in Formosa allowing it

to fend for itself, was unacceptable from the Administration's point of view for the simple reason that officials accepted the Joint Chiefs' argument that the island was of sufficient strategic importance to United States' interests in the Western Pacific - even with Chiang's regime in control - to warrant the use of economic and diplomatic steps to prevent the island from coming under Communist rule. It is almost certain that the Administration would never have considered continuing its association with the remnants of the Nationalist Government on Formosa subsequent to its elimination as an effective force of resistance on the mainland had the JSC not given the particular assessment which they did. It seems equally clear that Chiang Kai-shek and his supporters were able to save themselves and to sustain American backing until the time of Korean War for no other reason than that the presence of the regime on Formosa happened to fit in with the operational design of American military strategic planning.

It is true that if the Administration had cast the rump Nationalist Government to its fate, leaving Formosa completely open to Communist assault, there would have followed a strong public outcry in this country. Officials knew this and their decision to support Chiang's regime - the details of which will be provided below - did conform rather conveniently to the general thrust of public preferences. The appearance of Administration compliance with the

public demands to support the Nationalists on Formosa, however, was just that, mere coincidence with what constituted the real source of the official concern to deny the island to Communist control. This is clearly implied in a report to the National Security Council in early October concerning Formosa, in which the State Department, in referring to Chinese and American public opinion, noted that an,

> ...abrupt cessation of existing aid would damage the morale and prestige of the present Chinese administration. It would, in fact, be widely interpreted as reflecting lack of interest on the part of this government which is not in accord with the facts.[74] (italics added)

In a word, the available documentary evidence gives absolutely no indication that the Administration would have bowed to public opinion in continuing its support of the Chiang regime had the American military establishment not assessed Formosa as having military strategic importance. Though domestic pressures in support of Chiang's regime were greater in 1949 than ever before, so were the reasons why the Administration could not bow to the public demand. In fact, because American officials were so concerned to develop more effective ways to contain communism, there is every reason to believe that if circumstances had permitted the Administration to cut all ties with the Nationalists on Formosa, as a matter of their fundamental responsibility to safeguard the national interest, policymakers would never have allowed public pressure to force them into

continuing to support a regime which by 1949 had become one of their biggest liabilities in the task of achieving Cold War objectives in Asia.

The third policy option - short of a commitment to defend the island, expand the program of economic and military aid to the regime to the maximum extent possible - the Administration also rejected as unsatisfactory. Generally, policymakers opposed this course of action because they believed it would exacerbate to the extreme all the problems which the Administration was going to have to face anyway in continuing to support the Chiang regime but which officials hoped might be minimumized by following in a more cautious direction. Decision makers were uncomfortable with this option for several reasons. In the first place, the Administration was not about to consider increasing economic and military aid to a regime which had a long and unrelieved history of mishandling American assistance in one way or another. The continuing practices of graft, corruption, hoarding and mismanagement by Kuomintang authorities produced in officials the foregone conclusion that it would serve no useful American interest to increase substantially the level of aid. Indeed, the Administration even presumed it would be counter productive to do so. A gratuitous increase in the American commitment would reduce any incentive for the regime's eliminating mismanagement and corrupt practices by implementing necessary internal reforms.

Besides, the problem was not a lack of economic, financial or even military resources, substantial portions of which had been stockpiled on Formosa by the Chiang regime over the previous year. Rather, as American diplomatic officers in Taipei repeatedly observed, the weakness of the situation resided in the continuing demonstration of incompetence on the part of Chinese authorities in utilizing those resources. And, just as they had been doing for some time, representatives of the Economic Cooperation Administration continued to argue that the Formosan economy simply could not usefully absorb amounts of American assistance beyond a rather modest level and that to attempt to undertake ambitious long-range development projects, e.g., capital investment programs, would actually contribute to even worse levels of inflation.

Sending greater amounts of assistance under these circumstances, moreover, not only would be a waste but as well would commit in a highly visible manner the nation's prestige in support of an extremely risky situation. Because officials thought it was inevitable that the Chinese Communists would attempt to capture Formosa, and since, in that event the regime's corruption and incompetence could be expected to deliver the island over to an invading force in short order, policymakers were convinced that if the United States were to become involved in this way, it would produce eventually a point at which the Administration either would

have to decide to withdraw altogether or to escalate the American presence to the extent of assuming active responsibility for the island's defense. Withdrawal would be interpreted by the world as another American defeat in the Cold War. Soviet prestige would soar. Escalation of the American commitment, on the other hand, would place the Administration in the position of doing precisely what the Joint Chiefs of Staff said the nation could not afford to do in view of limited resources and more important obligations elsewhere.[75]

In either case, not only would the nation's prestige be made to suffer, but its credibility as an effective and imaginative ally also would be called into question. Europeans and Asians alike would want to know what sort of logic would produce the decision to increase the American commitment to Formosa only to withdraw in the face of increased Communist pressure. On the other hand, Europeans were sure to wonder why, in escalating its commitment, the United States would allow itself to be drawn into a waste of its resources and manpower to save a regime like the one on Formosa and in an area not nearly as vital to American and Western interests as other parts of the world. And Southeast Asian governments would question the wisdom of whether American resources might not be more usefully spent in their behalf rather than by squandering them on the defeated and discredited regime in Taipei.[76]

There were other major reasons why this option was unattractive. For one thing, just as they had in the case of arguing against restationing the American naval presence in China from Tsingtao to Formosa in 1948, State Department officials continued to believe that nothing would be more likely to enhance Communist popularity in China than for the United States to expand its economic and especially its military presence on Formosa. As a National Security Council report observed in October,

> A program of aid of this nature...would greatly strengthen the suspicion among Chinese, communist and non-communist alike, of U.S. 'imperialistic' design on Formosa, thereby consolidating Chinese public support behind the Chinese Communists....[77]

Not only would a highly visible American intrusion into the island's internal affairs have the effect of making the Communist task of consolidating their power in the mainland immeasureably easier but any obtrusive American backing of a reactionary and unregenerate regime, whose past and continued existence clearly depended on support from a Western nation, could be expected to generate severe anti-imperialist reactions from other Asian peoples as well. The Central Intelligence Agency spelled out the danger in this regard in a report in January of 1950,

> Asiatic political leaders...consider ...(the Communist government in China)... to have a comparatively broad popular base and therefore to be qualified to replace the Kuomintang, which not only has

> been thoroughly discredited as an effective government but also...widely identified with Western intervention....[78]

Significantly, the same CIA report went on to suggest that, if through its policies the United States were to leave itself open to an effective anti-imperialist propaganda blitz, it might well "prevent the newly independent governments of India and Pakistan from cooperating with the US in South Asia" while at the same time possibly work to "diminish US prestige and opportunities for leadership in the UN."[79]

However, Administration officials wanted more than simply to avoid creating grounds for effective anti-imperialist criticism of United States' policies. As already indicated in this and previous chapters, they also wished to sustain the basis for criticizing Soviet involvement in China along these same lines. Russian penetration of Sinkiang, and especially Manchuria, as well as their involvement in Outer Mongolia, officials believed eventually would lead to serious problems between the Soviets and the Communist regime in China on the basis of the latter's nationalistic commitment to assert control over the whole of those territories historically Chinese. The longer the Soviets continued to interfere in China's internal affairs the more likely this conflict was to occur.

The United States' capacity to capitalize on this issue, however, would be severely reduced, even eliminated,

if the American involvement on Formosa was such as to attract the charge of imperialism, thereby obscuring the basis for clearly differentiating between the policies of Washington and Moscow. As the Office of the Far Eastern Affairs pointed out in a June 1949 subject memorandum on Formosa, since "the Soviet position in Manchuria and Port Arthur has created irredentist issues which we can use to advantage", it appeared that, "To provide the Communists with an issue they can propagandize in irredentist terms against us seems extremely unwise."[80]

Policymakers did not know for sure what the full potential would be for exploiting conflicts between the two. However, the thinking was that it would be much more difficult to accomplish if the nature of United States policy appeared to the Chinese Communists as so contrary to their interests, thus forcing them to conclude that they had absolutely no choice but to continue their close association with Moscow. In a late December meeting between representatives of the State and Defense Departments, in talking about the general tenor of American policy toward the recently established Communist regime in Peking, Secretary of State Acheson observed that,

> ...in the Soviet effort to detach the northern tier of provinces in China (there) exists the seed of inevitable conflict between China and the Soviet Union. Mao is not a true satellite in that he came to power by his own efforts and was not installed in office by the Soviet Army. This situation...is our one

> important asset in China and it would have to be for a very important strategic purpose that we would take an action which would substitute ourselves for the Soviets as the imperialist menace of China.[81]

Later in the meeting the Secretary went on to make the related comment that,

> If at this price we acquire an island essential to the defenses of the United States then it might be worth the price but there does not appear to be demonstrated a claim that the loss of Formosa really breaches our defenses.[82]

Two weeks later the CIA put a slightly different slant on the matter by suggesting that the Chinese hostility generated by an expanded American commitment on Formosa might result in a situation in which,

> The more doctrinaire Stalists leaders among the Chinese Communists would advance their positions at the expense of such Communists as may be favorably disposed toward an independent policy in international affairs and an accommodation of Western powers.[83]

In the case of developing policies toward Formosa, and having rejected all other options, officials finally settled on a course of action designed to maintain a low American profile on the island through implementation of a "moderate sized" program of economic assistance while continuing to render diplomatic support to the rump Nationalist regime. Though it appeared to be the best of the available policy options, officials were uncomfortable with their decision. The reason was simple, the course of action which

they proposed to follow was a carbon copy in miniature of the Adminstration's policy toward China since the end of the Second World War.

The policymaking environment was the same. Military-strategic priorities compelled officials to extend support to a regime seriously maladministered and which exhibited very little inherent potential for survival. For a variety of reasons stemming from the unpalatable nature of the regime, however, and because the United States possessed insufficient resources, the Administration would have to place definite limits on the extent to which it could go in developing a program of assistance. Once again, therefore, decision makers found themselves concerned with implementing a policy which promised to achieve little except to avert disaster for as long as possible, in the meantime "buying time" in the hope that events might prove to create a more advantageous situation in which to promote American interests.

Policymakers envisioned that a "moderate sized" program of economic assistance and diplomatic support would demonstrate that the United States was interested in Formosa remaining a part of the "free world". At the same time it would minimize the Administration's liabilities in continuing to support the regime by placing on the latter the entire responsiblity for its own survival. In this regard, the Administration would make it clear to Chiang and

his supporters that it had absolutely no intention of committing the United States' power to a defense of the island and that short of extensive efforts of reform had no interest in giving more than marginal amounts of economic assistance (primarily in the form of food imports and expenditures in agricultural and rural reconstruction). Beyond the Administration continuing to allow government agencies to ship remaining military items under authorization of the China Aid Act of 1948, the Chinese would also have to assume full responsibility for the acquisition of further military supplies through commercial purchase on the open market.

By such means the Administration would ensure that the Chiang regime not receive a false impression of United States' purposes in continuing to grant economic aid. It would sustain the regime's incentive to reform - the key to self-preservation - while also granting some additional time in which to do so. And, in this regard, it would help to pressure the regime into a position of having to make better use of its existing resources.[84] In a summary statement concerning this option, a June 1949 State Department memorandum to the National Security Council explained that it would be,

> ...essentially a policy of calculated inaction, providing a modicum of economic aid but relying primarily upon the self-interests of the present Chinese governing group to safeguard our own strategic interests. The length of time that our interests and theirs will coincide or that they will have the will and

> ability to resist any external or internal attack which the Communists may mount against them is unpredictable. It would safeguard our interests for, possibly, six months in which time much can happen there and elsewhere.[85]

The decision to maintain only "moderate sized" programs of economic assistance to the regime on Formosa was reinforced by subsequent official deliberations concerning United States Asian policy. As a part of the State Department's in-house reappraisal of Far Eastern policy initiated in August 1949 by the special review group headed by Ambassador-at-Large, Phillip C. Jessup, a number of Asian specialists from all over the country were invited to Washington in October for discussions bearing on a series of problems which the Administration faced in Asia. Included among the several conclusions reached by this group of experts was the one that the United States' interest would be better served by not seeking,

> ...to detach Formosa from the Communist controlled mainland either by the application of force or seeking jurisdiction over the island through a trusteeship arrangement on behalf of Formosan self-government, since such actions on our part would outrage all Chinese elements and as a resort to naked expediency would destroy our standing with the smaller countries of the world.[86]

The results of the major NSC review of United States' Far Eastern Policy (NSC 48) series undertaken in the Summer of 1949 and completed in December further supported the Administration's position by emphasizing that any,

> ...action by the U.S. to occupy Formosa would inevitably expose the U.S. to "charges of imperialism" and seriously affect the moral position of the U.S. before the bar of world opinion, particularly in the Far East at a time when the U.S. is seeking to expose Soviet imperialistic designs on other nations.[87]

Thus satisfied with the confirmation of its decision, the Administration policy of continuing to render only modest economic assistance to the regime of Formosa remained unchanged until June of 1950. This was true despite the concerted efforts in late 1949 and in the early months of 1950 by the China Bloc in Congress, joined for politically partisan reasons by more prominent members of the Republican Party, to pressure the Administration into undertaking a military defense of the island. And, in refusing to bow to these demands, Administration officials harbored no illusions as to the future of the rump Nationalist Government on Formosa. Assuming that Chiang and his supporters even with another reprieve were no more likely than in previous years to initiate those reforms vital to a successful defense of the island, the same December NSC report on its review of Far Eastern policy conceded that it was "not believed that denial of Formosa to the Chinese Communists can be achieved by any method short of actual U.S. military occupation."[88] Intelligence community estimates late in the year agreed that Formosa would "probably succumb to the Chinese Communists by the end of 1950."[89] This view remained unchanged

with the CIA reporting in mid-April of 1950 that the Communists would attempt an assault on the island some time after the beginning of June and before the end of the year.[90]

In conclusion, in accord with the intent of the Administration's policy of maneuver and with respect to the official desire to remain as opportunistic as possible in responding to emerging opportunities to offset the negative repercussions of the Communist victory in China and to contain any further extension of Communist power in Asia, policymakers hoped to deny Formosa to Communist control by fostering the emergence of a regime which could be counted on to rule the island honestly and effectively. Interested in maximizing prospects for making an effective demonstration of containment, American officials not only were anxious to avoid the type of situation which they faced in formulating policy toward China over the previous several years, but in fact believed, that in order to achieve their objective of encouraging responsible administration of the island, it was imperative to find a non-communist Chinese group other than the one which controlled the government in Nanking.

Thus, in fulfillment of their purposes, the Administration clearly wished to end its troubled and unsatisfactory association with Chiang Kai-shek and his supporters as soon as the situation on the mainland was such as to allow

it to do so, namely, the point at which effective Nationalist resistance to the Communists finally was eliminated. Administration officials were convinced that the general process of containing Communist power in Asia would be much more difficult to accomplish so long as the United States continued its policy of recognizing the discredited and defeated Nationalist regime and that the particular task of denying Formosa to the Communists likely would be impossible under these circumstances.

Unfortunately, and much to the dissatisfaction of American officials, the Administration was not able to achieve its preferred objective of promoting the emergence of a non-Communist and non-Nationalist government on Formosa. By the Spring of 1949, Chiang Kai-shek and his supporters were firmly in control of the island's administration. However unsatisfactory this development, officials nonetheless believed they had no choice but to proceed with the option of supporting the Chiang regime because of the strategic and political significance which had been assigned to Formosa.

Yet, the Administration was determined to maintain as much flexibility in the situation as possible, refusing to allow itself to be drawn into the sort of commitment which would eliminate its room to maneuver in a different direction should it become necessary to do so. And, officials were equally determined to reduce to a minimum the

political liabilities involved in continuing to support an administration generally condemned in terms of the prevailing criteria of Asian nationalism. Officials believed that both goals would be served best by extending only moderate amounts of assistance to the regime. In this way Chiang and his supporters and not the United States would have the essential responsibility for defending the island and, if they could not, then the peripheral nature of the United States' involvement would allow for a speedy withdrawal and with only minimal damage to the nation's prestige.

With few exceptions policymakers assumed the United States owed nothing to Chiang Kai-shek and his followers. They had mismanaged the situation on the mainland inexorably in the direction of their own defeat despite all the assistance and advice given by the United States since 1945 and in 1949 ensconced on Formosa showed no promise of being able to serve either their own or the American interests any better than in years previous.

With respect to this situation, officials defined their responsibility in formulating policy toward Formosa almost wholly in terms of expediency. And, because the Administration assigned strategic and political importance to the task of denying the island to Communist control, in 1949 expediency meant supporting Chiang and his group on Formosa for want of another and preferred alternative. However, the unsympathetic logic of expediency worked both

ways. Since most officials saw no value in supporting the rump Nationalist Government for its own sake, they were quite prepared to terminate all association with the regime at the moment at which it no longer appeared useful in the service of those objectives involved in keeping Formosa out of Communist hands. Had the regime failed to defend the island successfully against a Chinese Communist invasion and had the Korean War not intervened to save Chiang and his supporters, Administration officials were poised, in fact expected to have to look elsewhere for more promising opportunities in the effort to contain communism in Asia. And, as a matter of their strong sense of commitment to achieving victory in the Cold War, they would have done so despite increasingly intense public pressures which in 1949 and 1950 sought to force the Administration into a full-scale program of support for the regime on Formosa regardless of the cost, as officials saw it, to the nation's overall strategic capability or the consequences to American prestige and credibility.

The Administration's policy of maneuver seems to have worked reasonably well in the case of Formosa - though granted, not under the best of circumstances - and also with respect to those various procedural problems which developed in the course of continuing to support the Nanking government after the Fall of 1948 and throughout the period of its rapid decline and final elimination by the Communists as a

political force in Chinese politics. However, if the central purpose of the policy of maneuver was to place the Administration in the best possible position from which to take advantage of emerging opportunities for containing further communist expansion in Asia as well as to develop means by which to neutralize and eventually reclaim those areas already dominated by the Kremlin directed international communist movement, then the same thing cannot be said in the case of the Administration's formulation of policy on the question of relations with the Chinese Communists. Administration officials did not prove to be very flexible on this issue in 1949 and in 1950 prior to the Korean War.

[1]Draft Report by the National Security Council on the Position of the United States with Respect to Asia, 23 December 1949, Reprinted in Thomas H. Etzold and J. L. Gaddis, eds. Containment: Documents on American Policy and Strategy, 1945-1950 (New York: Columbia University Press, 1978), 259.

[2]C.I.A. Situation Report, S.R. No. 1/50, 18 January 1950, p. 2, file 77/283A, DDRS.

[3]C.I.A. Situation Report, S.R. No. 12/48, 16 December 1948, file 77/181C, DDRS.

[4]Note by the Executive Secretary of the National Security Council to the Council, 1 December 1948, F.R., 1949, IX, 261.

[5]Memorandum by the Joint Chiefs of Staff to the Secretary of Defense, 24 November 1948, ibid., 261-262.

[6]Memorandum by the Acting Secretary of State to President Truman, 14 January 1949, ibid., 267.

[7]Memorandum by the Joint Chiefs of Staff to the Secretary of Defense, 10 February 1949, ibid., 284-286.

[8]Statement by the Secretary of State at the Thirty-fifth Meeting of the National Security Council on the Formosan Problem, 1 March 1949, ibid., 294-296.

[9]Memorandum by the Secretary of Defense to the Executive Secretary of the National Security Council, 2 April 1949, ibid., 307-308.

[10]See, the reporting of the United States Consul at Taipei for the months of May, June and July 1949, ibid., 323-367.

[11]Memorandum by the Department of State to the Executive Secretary of the National Security Council, 4 August 1949, ibid., 369-371; Actually, American officials knew they were in trouble on the Formosa question much earlier and that the established policy undoubtedly would have to be modified, see, Draft Memorandum for the Executive Secretary of the National Security Council, 9 June 1949, ibid., 347-350.

[12]Memorandum by the Joint Chiefs of Staff to the Secretary of Defense, 17 August 1949, ibid., 376-378.

[13]C.I.A. Situation Report, S.R. No. 10/49, 19 October 1949, p. 6, file 77/282C, DDRS; In addressing the early October 1949 "Roundtable" meeting of experts on Asia called from around the country by the State Department to give their opinions on American Far Eastern policy, a Central Intelligence Agency briefing officer noted to the assembled group that, "...it seems probable that a communist takeover of Taiwan

probably would not be preceded by a major military assault of the island." Minutes of the Meetings of the Round Table Discussions of 6, 7 and 8 October 1949, President's Secretary Files, Box 174, Truman Papers, HSTL.

[14]Memorandum by the Joint Chiefs of Staff to the Secretary of Defense, 23 December 1949, F.R., 1949, IX, 460-461.

[15]Memorandum by the Joint Chiefs of Staff to the Secretary of Defense, 10 February, 1949, ibid., 286.

[16]Memorandum of Conversation by the Secretary of State, 29 December 1949, ibid., 464.

[17]See, Notes on China, 23 July 1953, Princeton Seminars, Acheson Papers, HSTL.

[18]See Chapter IX, pp. 294-295.

[19]See Chapter IX, pp. 292-296, 300-301.

[20]See Chapter IX, pp. 292-293.

[21]See Chapter IX, p. 313.

[22]See Chapter IX, p. 296.

[23]The Consul-General at Tsingtao to the Minister-Counselor of the Embassy in China, 29 September 1948, F.R., 1948, VIII, 322-324.

[24]See, The Secretary of State to the Secretary of Defense, 28 May 1949, ibid., 316-317; The Secretary of Defense to the Secretary of State, 17 June 1948, ibid., 319-320; The Acting Secretary of State to Rear Admiral Sidney W. Souers, Executive Secretary to the National Security Council, 14 October 1948, ibid., 326-328.

[25]Memorandum Prepared in the Department of State, 14 December 1948, ibid., 340.

[26]Ibid., 341.

[27]Ibid., 340.

[28]Ibid., 340.

[29]Ibid., 341.

[30]Ibid., In an earlier memorandum, the Director of the Office of Far Eastern Affairs argued that the Administration would find itself facing political disadvantage in any instance where the United States

might retain military forces subsequent to a collapse of the Nationalist Government, "Should the U.S. continue to occupy the cities following the collapse of the present Chinese Government, it is doubtful that any cloak of legality derived from the Government would protect the U.S. from charges in the UN and elsewhere of maintaining bases in China solely for reasons of power politics. These charges might seriously weaken the moral leadership of the U.S. in world affairs." The Director of the Office of Far Eastern Affairs to the Acting Secretary of State, 2 December 1948, ibid., 336.

[31]Memorandum by the Acting Secretary of State to President Truman, 14 January 1949, F.R., 1949, IX, 266.

[32]Ibid., 267.

[33]Ibid., 267.

[34]Ibid., 266.

[35]C.I.A. Situation Report, S.R. No. 11/48, 17 November 1948, pp. 2 & 4, file 77/181B, DDRS.

[36]C.I.A. Situation Report, S.R. No. 1/49, 19 January 1949, p. 4, file 77/181D, DDRS.

[37]C.I.A. Situation Report, S.R. No. 11/48, 17 November 1948, p. 4, file 77/181B, DDRS.

[38]C.I.A. Situation Report, S.R. No. 12/48, 16 December 1948, Summary p. 1, file 77/181C, DDRS.

[39]C.I.A. Situation Report, S.R. No. 1/49, 19 January 1949, p. 2, file 77/181 D, DDRS.

[40]In an October 1949 meeting of experts on Asia called by the State Department to contribute their views concerning U.S. Far Eastern policy, the following statement of policy objectives was made to the group by an official of the United States Information Service: "Our immediate objective in the program of the United States Information and Educational Exchange Service are of two kinds. First, we are attempting to aline public opinion throughout the world on the side of the United States and it has two aspects to it: a positive side, in which we are trying to demonstrate that US policies are in effect to the self-interest of other nations and other peoples; it is to their advantage to support these policies. I think there is a negative side. I think that is the demonstration of what the USSR and specifically those aspects of Communism which are represented by imperialism, aggression, brutality, etc., really mean in terms of the lives and futures of entire peoples and nations."; "We are hitting at a myth which is held too widely in the world -- the belief that the United States in some ways is really the

proponent of reaction, that we are really the people that want to perpetuate the system of absentee landlordism or the exploitation of the masses by a small reactionay clique."; "We are very much concerned with convincing the peoples of the Far East that their ultimate salvation does lie in close cooperation with the countries of the West; that the Western countries are in fact in sympathy with their national aspirations." Minutes of the Meetings of the "Roundtable Discussion" of 6, 7 & 8 October, President's Secretary Files, Box 174, Truman Papers, HSTL; In July 1949, Secretary of State Acheson in addressing the problem of Asia observed to the French Ambassador that, "The basic problem seemed to be to convert nationalist sentiment from pro-communist to anti-communist and this would require far-sighted policies." Memorandum of Conversation by the Secretary of State, 8 July 1949, Box 64, Acheson Papers, HSTL.

[41]Draft Report by the National Security Council on the Position of the United States with Respect to Formosa, 19 January 1949, F.R., 1949, IX, 272.

[42]Ibid., 273.

[43]Ibid., 272; President Truman approved the arguments and conclusions of this State Department initiated National Security Council report (NSC 37 series on Formosa) on 3 March 1949, see Memorandum by the Executive Secretary of the National Security Council to the Council, 3 March 1949, ibid., 296-297.

[44]Statement by the Secretary of State at the Thirty-fifth Meeting of the National Security Council on the Formosan Problem, 1 March 1950, ibid., 295.

[45]Draft Report by the National Security Council on the Position of the United States with Respect to Formosa, 19 January 1949, ibid., 272.

[46]Ibid., 273.

[47]Ibid., 273.

[48]Ibid., 273.

[49]Ibid., 273-275.

[50]Memorandum by the Executive Secretary of the National Security Council, 4 February 1949, ibid., 282.

[51]Memorandum by the Secretary of State to the Executive Secretary of the National Security Council, 18 February 1949, ibid., 288-289.

[52]Ibid., 289.

[53]C.I.A. Situation Report, S.R. No. 1/49, 19 January 1949, "Summary" p. 1, pp. 5-6, file 77/181E, DDRS.

[54]Memorandum by the Secretary of State to the Executive Secretary of the National Security Council, 8 April 1949, F.R., 1949, IX, 310.

[55]See, the series of documents in "U.S. Policy Toward Formosa", ibid., 298-308.

[56]The Consul at Taipai to the Secretary of Sate, 4 May 1949, ibid., 324-325.

[57]Memorandum by the Secretary of State to the Executive Secretary of the National Security Council, 18 May 1949, ibid., 335-336.

[58]For a general assessment of the situation on Formosa as perceived by American officials, see, Memorandum by Mr. Livingston T. Merchant to the Director of the Office of Far Eastern Affairs, 24 May 1949, ibid., 337-341.

[59]The Consul at Taipei to the Secretary of State, 4 May 1949, ibid., 325; The Director of the China Program of the Economic Cooperation Administration to the Director of the Office of Far Eastern Affairs, 29 April 1949, ibid., 318-320; Memorandum of Conversation by the Secretary of State, 29 June 1949, ibid., 355-356; Memorandum by the Department of State to the Executive Secretary of the National Security Council, 4 August 1949, ibid., 370; Memorandum by the Assistant Secretary of State for Far Eastern Affairs to the Secretary of State, 28 December 1949, ibid., 462.

[60]Memorandum by Mr. Livingston T. Merchant to the Director of the Office of Far Eastern Affairs, 24 May 1949, ibid., 338.

[61]Memorandum by the Department of State to the Executive Secretary of the National Security Council, 4 August 1949, ibid., 371.

[62]Memorandum by the Joint Chiefs of Staff to the Secretary of Defense, 17 August 1949, ibid., 376-378.

[63]On the assumption that American policy was to continue to support the regime on Formosa, Livingston T. Merchant stated the matter in no uncertain terms when in a May 1949 report of his just completed mission to the island he wrote, "...we find ourselves faced on Formosa with a situation very similar to that which confronted us on the mainland a year ago. The Government in power is corrupt and incompetent. Self-preservation dictates that it advance our national interest in the process of attempting to preserve its own collective neck. The people which it rules hate not only the Government but will hate any foreign

country which morally and materially gives its support to that Government. Yet there is no possibility, short of the dangerous and risky effort to finance and promote a coup d etat, that the present Government will be replaced or alter its character in the direction of liberal political rule and wise economic action." Memorandum by Mr. Livingston T. Merchant to the Director of the Office of Far Eastern Affairs, 24 May 1949, ibid., 340.

[64]Draft Report by the National Security Council on the Position of the United States with Respect to Formosa, 60 October 1949, ibid., 392-397.

[65]The Ambassador in the United Kingdom to the Secretary of State, 25 May 1949, ibid., 342.

[66]Memorandum of Conversation by the Assistant Chief of the Division of Chinese Affairs, 9 September 1949, ibid., 390.

[67]Memorandum of Conversation by Mr. William McAfee of the Office of Chinese Affairs, 14 November 1949, ibid., 425-426.

[68]Memorandum of Conversation by the Assistant Chief of the Division of Chinese Affairs, 9 September 1949, ibid., 389-390.

[69]Ibid., 390.

[70]Draft Memorandum for the Executive Secretary of the National Security Council, 9 June 1949, ibid., 349.

[71]Ibid., 349.

[72]This concern was expressed in an NSC draft report on Formosa in early October, "...it is probable that any action contrary to the wishes of the present or future Chinese authorities in Formosa which the United Nations might take not only would fail to effect tangiably the fate of the Island, but would undermine the prestige of The United Nations as well." Draft Report by the National Security Council on the Position of the United States with Respect to Formosa, 6 October 1949, ibid., 396.

[73]Memorandum by the Joint Chiefs of Staff to the Secretary of Defense, 17 August 1949, ibid., 378.

[74]Draft Report by the National Security Council on the Position of the United States with Respect to Formosa, 6 October 1949, ibid., 395.

[75]These various considerations surrounding the option of increasing American aid to the Nationalist government on Formosa all summarized in a concise statement contained in the NSC 37/8 draft report of 6 October 1949, see ibid., 394-395; See also, the Secretary of State to the Consul-General at Taipei, 1 November 1949, ibid., 404-405.

[76]Memorandum by the Assistant Secretary of State for Far Eastern Affairs to the Secretary of State, 28 December 1949, ibid., 462-463; See also, a dispatch from the American Embassy in China which though addressing the topic of increased aid to anti-communist resistance on the mainland in 1949, nonetheless had a broader significance in that it detailed the disadvantages of dramatically increasing aid to the defeated and discredited Kuomintang in general terms. The Counselor of the Embassy in China to the Secretary of State, 28 August 1949, ibid., 543-544; The European angle in this particular consideration is stated clearly in the December 1949 National Security Council report on United States Far Eastern Policy (NSC 48), "...it is essential that a successful strategic defense in the "East" be assured with a minimum expenditure of military manpower and material in order that the major effort may be expended in the "West". Draft Report by the National Security Council on the Position of the United States with Respect to Asia, 23 December 1949, reprinted in Etzold and Gaddis, Documents on American Policy and Strategy, 264.

[77]Draft Report by the National Security Council on the Position of the United States with Respect to Formosa, 6 October 1949, F.R., 1949, IX, 395.

[78]C.I.A. Situation Report, S.R. No. 1/50, 18 January 1950, p. 2, file 77/283A, DDRS.

[79]Ibid., 3.

[80]Draft Memorandum for the Executive Secretary of the National Security Council, 9 June 1949, F.R., 1949, IX, 347-348.

[81]Memorandum of Conversation by the Secretary of State, 29 December 1949, ibid., 466.

[82]Ibid., 466.

[83]Ibid., 466.

[84]These various considerations are contained in the Draft Report by the National Security Council on the Position of the United States with Respect to Formosa, 6 October 1949, ibid., 395-396.

[85]Draft Memorandum for the Executive Secretary of the National Security Council, 9 June 1949, ibid., 348.

[86]Memorandum by Mr. Charlton Ogborn, Jr., of the Bureau of Far Eastern Affairs, 2 November 1949, ibid., 161.

[87]Draft Report by the National Security Council on the Position of the United States with Respect to Asia, 23 December 1949. In, Etzold and Gaddis, Documents on American Policy and Strategy, 257.

[88] Ibid., 257.

[89] Ibid., 257; see also, C.I.A. Situation Report, S.R. No. 1/50, p. 3, file 77/283A, DDRS.

[90] C.I.A. Situation Report, S.R. No. 4/50, p. 6, file 77/283D, DDRS.

CHAPTER XI

THE U.S. AND THE CHINESE COMMUNISTS, MAY 1949 - JUNE 1950: THE POLICY OF HOPEFUL PESSIMISM

Administration officials believed that they were going to have to be as opportunistic as possible in their dealings with the new Communist masters of China. Only in this way, policymakers idealized, would the United States be able to work successfully to neutralize the ill effects of the Communist victory. It would be especially important to remain flexible on the question of developing a better relationship with the Chinese Communists for the purpose of eliminating what officials believed was a pervasive Soviet influence in Chinese affairs.

However, as indicated previously, the Administration despite its intent did not prove very flexible in this particular policymaking area. The reasons were multiple, but it is important to stress at the outset that domestic public and congressional opinion did not play a significant role in creating the inflexibility. The nature of the United States-Chinese Communist relationship, or lack of it, was rather the result of the response by American officials to a series of situations in 1949 and 1950 the manner of which was determined almost entirely by increasingly rigid

Cold War assumptions concerning the requirements of dealing with a presumed agent of the Kremlin-directed international communist movement.

Earlier chapters have demonstrated that, given the condition of limited resources and the need to conserve them for application in more important areas of the world, American Asian policy in 1949 and 1950 may be understood as consisting of two essential impulses which officials attempted to balance in formulating procedures for dealing with various specific policy problems. On the one hand, it was important to convince Asian peoples that the United States could be trusted to act in accord with their quest to achieve self-rule and national independence -- that the meaning of the American presence in Asia was not to be compared to the Western colonial involvement in the region over the previous several centuries. At the same time, however, it would be necessary to demonstrate to all that in the face of communist provocations the United States could not be pushed around -- that it was not a "paper tiger" as the Chinese Communists alleged in 1949 in referring to American activities in Asia -- and that the nation was capable of mounting a successful counter offensive conducive not only to deterring further communist inspired aggressions but of encouraging other Asian peoples to develop sustained political affiliations with the United States[1].

The Administration sought to balance these two tendencies in approaching the policy question of relations with the Chinese communists. The result, though, probably would have to be classified a failure. In brief, the belief in the importance of making a successful appeal to Chinese nationalistic sentiment, was overwhelmed by the Administration's sense of the need to demonstrate to the Chinese Communists that the United States could not be pushed around. In this regard, policymakers early came to the view, that so long as the Chinese Communists remained hostile and aggressive toward the United States, the Administration had no choice but to respond forcefully and firmly until the Chinese Communist Party clearly revealed a capacity to respect American interests and accept the "normal rules" in their conduct of international relations and until it proved capable of acting independently of Soviet influence.

In the period prior to the Korean War, therefore, and especially after the Summer of 1949, officials remained of the opinion that better relations with the Chinese Communists would not be possible for an indefinite period of time. In view of this, officials also believed that the Administration would do more to further the cause of international communism and to harm the nation's prestige by recognizing the Communist regime in Peking than it would by refusing to do so until the Chinese demonstrated a willingness to act decently.

Nonetheless, in 1949 and 1950 the Administration was prepared, at least theoretically and in accord with the purposes of the policy of maneuver, to consider the option of developing a closer relationship with the Chinese Communists. In this regard there were a series of related reasons why policymakers thought it wise to keep their eye on the possibility and to maintain a flexible capacity for moving in this direction if and when a genuine opportunity for doing so should ever arise.

As it turned out, officials never relinquished their belief that the ties between the Chinese Communist Party and the Soviet Union were extremely close and would remain so for a considerable period of time, perhaps for decades. Despite this close affiliation, however, the Administration was convinced that potential existed for creating critical rifts between the two. Official expectations included the general belief that given time a latent Chinese nationalism would emerge to force out of power any ruling group which continued indefinitely to allow the peoples and resources of China to be used merely in the service of the interests of a foreign power. Short of this, the regime eventually would have to demonstrate its capacity to act independently of foreign influence.

Officials assumed that this would happen in part because the Chinese Communists had developed their own power base without outside assistance (they, like the Yugoslavs

would only grudgingly give up the pride of their independence and if pushed too far would rebel to reclaim the reward of their hard-earned effort); in part because of traditional Chinese xenophobic sensitivity concerning outside interference in their internal affairs; and, in part because of the fundamental incompatibility between the centripetal political aims of the Kremlin-directed international communist movement and the centrifugal political tendencies inherent to the phenomenon of nationalism.[2]

By the beginning of 1949, the simple fact of the policymaking environment with respect to China was that, with the exception of continuing to give modest and largely symbolic amounts of assistance to the dying remains of the Nanking government, no available means remained open to the Administration for striking a fatal blow at the vital center of the Soviet Union's capacity for sustaining its power and influence in Asian affairs other than the one of maneuvering so as to be able to exploit this potential conflict between the Kremlin and the Chinese Communists. Thus the Administration ideally preferred to develop the sort of policy which included procedures for enhancing the prospect of Chinese deviationism.

Nothing, officials conceived, would be more damaging to Soviet prestige and to the vitality of the international communist movement than defection of the major Soviet satellite. In a policy study of early February 1950,

the Director of the State Department's Policy Planning Staff, Paul H. Nitze, suggested that,

> The national deviation of Tito, we know, was a severe reverse for the Kremlin. Nationalist deviation on the part of Communist China would threaten the structure of the Soviet imperialist system. Similarly, national deviation elsewhwere would reverse Soviet gains in Eastern Europe, jeopardize Soviet opportunities in Southeast Asia and Moscow's use of foreign Communist Parties as instruments of Soviet foreign policy.[3]

In other words, if China could be induced to sever its affiliation with Moscow, it could start a chain reaction of similar tendencies elsewhere behind the Iron Curtain with potentially devastating consequences for the relative power position of the Soviet Union in world affairs.[4]

Previous chapters have indicated how this consideration entered into the Administration's resolution of a series of procedural policy problems attendant to the collapse of the Nationalist government in late 1948. However, one very important procedural problem which also developed at this time -- the one concerning American trade contacts with the Chinese Communists -- has not been discussed until now because it is a topic highly illustrative of the nature of official thinking about relations with Peking. As much or more than in any other policy area, Administration decisions in this matter clearly revealed the desire of officials to remain flexibly poised to exacerbate, whenever possible, animosities between the Soviets and the Chinese

Communists; or, at the very least, to avoid taking any unnecessary action toward China which would have the effect of retarding or reversing the anticipated intensification of Chinese hostility to the Kremlin.

A National Security Council draft report of late February 1949 concerning the question of trade with the Chinese Communists, which several days later the President authorized as the basis for policy implementation, observed that,

> In the absence of an effective instrument in China, the United States support of which could bring about defeat or containment of Chinese Communism, the primary immediate United States policy objective -- prevention of Soviet domination of China for strategic ends -- might be sought initially through either of two essentially alternative policies.[5]

The first of the two alternative policies, "to combat openly" the Chinese Communists through a program of economic warfare designed either to force them away from a continuing association with the Soviets or to isolate and bring about the collapse or overthrow of a Communist regime, the NSC report dismissed as unsatisfactory for several reasons. First, a policy of economic sanctions and blockade would necessitate united front cooperation from the Western nations, something which American officials thought would not be possible, especially in view of important British commercial and investment interests in China and Hong Kong, the safety of which London had indicated to Washington would

require establishing some sort of working relationship between the British and a Communist regime.[6]

Second, the NSC report suggested that if the example of the Bolshevik's capacity to establish their own control in Russia in 1917, despite severe economic hardships in part caused by external embargos and blockades, was any measure of what a "determined and ruthless leadership" could do, then in the case of China such a tactic probably would be even less likely to succeed. In this regard, the study observed that

> China's relative economic self-sufficiency at traditionally low standards of consumption should enable a disciplined and militant Communist regime to makeshift in the face of economic restrictions and embargos. Indeed, by painting itself in the role of defending China against foreign persecution, the Communist leadership might turn our action to its advantage and win to itself greater internal support.[7]

Third, American initiated economic warfare against the Chinese Communists would make it exceedingly difficult for the Japanese to re-establish their important trade ties with North China and Manchuria, "thereby offering the prospect of indefinite support of the Japanese economy by the United States." Fourth, such a policy likely would produce an immediate retaliation gainst United States property and citizens in areas under Chinese Communist control, undoubtedly with the further result of a full scale expulsion of Americans from China.[8]

But the last two consequences of a harsh trade policy were, in the view of the NSC report, those which it would be especially well to avoid if at all possible. Fifth, and with respect to the possibility of a Communist seizure of American property and expulsion from China of United States citizens, the study suggested that,

> While such consequences for American interests in China would not, in themselves, constitute an important strategic set-back to the United States, they would represent the loss of opportunities for maintaining a flow of useful information on China and for continuing American cultural influence in China.[9]

However, sixth, and most importantly, the report noted that a policy of economic warfare

> ...probably would compel the Chinese Communists to eliminate any divergencies of opinion within the party and tend to drive the regime into a position of complete subservience to the USSR, thus making impossible of attainment the primary objective (i.e., "prevention of Soviet domination of China for strategic ends") towards which it (i.e., this particular trade policy option) was directed.[10] (parenthesis added)

In contrast to the alternative of open economic warfare the NSC study went on to argue in favor of a policy that would not have the "serious strategical shortcoming of inflexbility", or, to put it in more positive language, a policy which "would retain for the United States the degree of flexibility necessary to cope with the uncertain situation which lies ahead." The essence of this "uncertain

situation" to which the report referred did not question but that the Chinese Communists were "doctrinaire Marxists, politically hostile to the United States and other western nations, and predisposed to cooperate with the USSR...." However, the study also listed certain circumstances which contained the potential to cause tensions between the two. For one thing, the fact that the Soviets were materially involved in territories historically a part of China would have to contend with the countervailing fact that the Chinese "collectively have a deep seated resentment of foreign domination...." Also, the fact that the Chinese Communist Party existed as a political and military power independent of Soviet support had far reaching implications with respect to the likelihood of the two, over time, always maintaining a community of interest on all matters. The betting was that it would be difficult, if not impossible, for both to sustain a concensus in the long run. Moreover, the report noted, the Chinese Communists were very much interested in the successful economic development of China and this, combined with the fact that the Chinese "are by nature highly acquisitive and opportunistic", could well produce a strong tendency to look to the best possible source of external assistance especially, as American officials thought was likely, if the Soviets, because of inadequate resources of their own, proved unable to meet Chinese requests and needs.[11]

Thus, by arguing in favor of a policy generally characterized as having a "degree of flexiblity", the NSC report foresaw the importance of the United States being able at some point to take advantage of those "forces as might operate to create serious rifts between Moscow and a Chinese Communist regime." With respect to developing this capacity, the study suggested a policy in which the United States would continue to trade with China, while encouraging Japan and other Western nations to do the same, but with the restriction of developing adjustable export controls on all high priority strategic "items of direct military utilty", so as to avoid re-export of such materials to other communist countries, but especially to the Soviet Union.[12]

The NSC report concluded,

> This policy would permit so far as the United States is concerned, restoration, under essential security safeguards, of ordinary economic relations between China on the one hand and Japan and the western world on the other. It might enable...the acquisition from China of commodities important to Japanese self-support, and some continued operation in China of private American interests.[13]

If the Chinese Communists did not make this policy "untenable" by their actions, then it could come to pass over time that

> ...the importance to the Chinese Communists of trade relations with Japan and the west might foster serious conflicts between the Kremlin and Chinese Communist policy and thereby tend to produce an independent Chinese Communist regime.[14]

In any event, even if circumstances did not prove to allow the Administration by such a policy "to exploit frictions between a Chinese Communist regime and the USSR", the United States would not have really suffered anything by trying. Besides, such an approach would not compromise the nation's capacity, if it became necessary, "to adopt a restrictive trade policy if the Chinese Communists were to demonstrate their determination to follow a course inimical to United States strategic interests."[15]

Indeed, in view of worsening relations with the Chinese Communists and because of developing alarm in Washington over the apparent gathering momentum of the international communist movement, by the late Summer and early Fall of 1949, there was increasing talk of developing a more restrictive trade policy toward China. The Department of Defense especially was worried that continuing to trade in low priority strategic items, or even in some non-strategic goods so defined, would have the ultimate effect of enhancing the Chinese Communist, and in the view of Defense, also the Soviet, capacity to carry on aggressive activities more easily than if they had to produce these low or non-strategic materials themselves. In mid-September the White House also conceded that the NSC study which had existed as the basis for trade policy implementation since late February was in need of review and possible revision.[16]

In addition to the Defense Department's belief that for strategic reasons trade with the Chinese and the Russians ought to be curtailed as much as possible, the willingness of officials to discuss the possibilty of implementing a more restrictive trade policy toward the Chinese Communists appears in significant measure to have been the result of the view that, as a matter of reciprocity and for the purpose of generating an appropriate great power image, the Administration might have to get tough with the Chinese in view of their sustained hostility toward the United States.[17]

The more prominent argument on this score, though, was that the United States would be wise further to restrict trade with the Chinese Communists because to do so would put a tremendous strain not only on the Chinese but especially on their Soviet friends. The logic of this view was simple. The regime in China was going to require substantial outlays of assistance in order to achieve successful rehabilitation of the economy and to undertake a program of industrialization. In support of these objectives it was certain the Chinese would look to the Soviet Union for assistance but they also could be expected to solicit actively as much aid as possible from the West as well. To the degree this was provided by the Western nations, it would reduce by the same amount the strain on Soviet resources.

However, if the Western nations managed to agree on a united front policy of limiting economic contact with the Chinese, the Russians would be faced with deciding on one of two essential options. On the one hand, if the Russians complied with Chinese requests and attempted to underwrite Chinese economic growth, it would detract from the overall Soviet capability in world affairs while causing a significant strain on the resources of the communist-bloc countries in Eastern Europe. On the other hand, if the Soviets were to admit to the Chinese that they did not have sufficient resources to make a sustained and meaningful contribution to China's economic development -- which American officials believed to be the case -- then after a time either the Chinese people would lose faith in their communist leadership and bring the regime down or else the predominant pro-Soviet faction in the Chinese Communist Party would be eliminated and replaced by another willing to take the country in whatever direction promised to achieve the important goals of industrialization. In either case, the consequences of a Soviet decision would serve to promote the interests of the "free world".[18]

In addition to these emerging suggestions that some greater American advantage was to be gained by modifying, even scrapping, the existing trade policy toward China, it is also important to point out that by the late Summer of 1949, the Administration retained no expectation of being

able to develop a better relationship with the Chinese Communists. That the Chinese were a solid and loyal satellite of the Russians, officials assumed, was a fundamental and compelling fact of the policymaking environment on China at least for the time being and the indefinite future, probably for decades. By the Fall of 1949, the available documentary evidence simply does not include much indication of official interest in discussing the merits of using a moderate, or conciliatory, trade policy for the purpose of luring the Chinese Communists away from their presumed close Soviet connection.[19]

Consequently and in context of serious questions being raised about the adequacy of the existing and moderate United States trade policy, in early November the State Department submitted a memorandum to the National Security Council reviewing the course of that policy since its implementation earlier in the year. Willing to concede that adding restrictions on certain lower priority strategic items would be appropriate, and that the flow of such goods should be closely monitored with the possibility in mind of establishing further limits, might it appear wise to do so, the State Department memorandum nonetheless generally concluded that, "Although the effect of recent developments in China on American nationals has been a cause of much concern, it has not been such as to alter the basic assumptions and concept of NSC 41."[20] (the NSC number identification for

the late February study which was the existing basis for United States trade policy toward China).

In late December the State Department's view that the broad essentials of American trade policy should remain the same received additional confirmation from the final report of the National Security Council's full-scale review of United States Far Eastern policy begun in the previous Summer (NSC 48). In this report, the NSC reasoned that if the object of United States trade policy was "to contain or turn-back Soviet-Communist imperialism", then it would be counter productive to implement an exclusively harsh trade policy toward the Chinese Communists, and certainly one which exceeded, in its severity, the restrictive economic measures being applied in the case of the Soviets themselves. While also agreeing that new restrictions on certain items of trade might be necessary, NSC 48 suggested that it would not be advisable to limit goods "destined for normal civilian uses in China...." Singling out the Chinese Communists for economic punishment, the report implied, should be avoided so that the Administration might retain its future option of being able to,

> ...exploit, through appropriate political, psychological and economic means, any rifts between the Chinese Communists and the USSR and between the Stalinists and other elements in China, while scrupulously avoiding the appearance of intervention.[21]

Despite the admitted loss of any prospect for accomplishing one of the major objectives for which the policy hopefully had been designed in the first place, by the Fall of 1949 State officials began arguing the importance of retaining the existing American trade policy, NSC 41, not because they had any hope of immediately being able to "exploit rifts" between the Chinese and the Russians, but because of their desire to avoid the negative consequences which they perceived would be the result of following a more aggressive course of action in commerical dealings with the Chinese Communists.

Of major significance was the continuing realization by policymakers that there would be no possibility of developing a concensus among Western nations concerning trade with China. As already indicated, the British especially refused to agree with any policy which might endanger their future access to important economic interests in China and Hong Kong. Thus, State Department officials concluded that if the United States were to apply more restrictive trade sanctions against the Chinese Communists, the latter would have no difficulty in obtaining those restricted items from other Western nations. The effect in this regard merely would be to penalize American businessmen by eliminating their opportunity for continuing to compete in the China market.[22]

Also, in the absence of consensus, any American effort to implement a harsh trade policy likely would precipitate considerable bickering on the matter between the Western nations with the result that instead of projecting the important image of Western strength and solidarity in a critical period of international communist aggression, it would suggest the provocative picture of "impotence and disunity" among the "free nations". Besides, tightening the screws on China trade would mean limiting as well Japanese opportunities for re-establishing a commercial relationship with the Chinese. Not only was this likely to have an adverse effect on Japan's ability to develop economic self-sufficiency but, in that event, would have the further result of producing an indefinite Japanese economic dependency on continuing infusions of American aid.[23]

In sum, the State Department argued that the projected potential advantages of following a harsh trade policy toward the Chinese Communists were not sufficient to offset the negative effect which such an approach would have on American and other "free world" business operations in China or on the nation's and the North Atlantic community's image in world affairs. Moreover, since no greater advantage was to be gained by following an appreciably more severe trade policy, the fact that no immediate prospect existed for driving a wedge between Moscow and Peking thus did not exist to invalidate the presumption that, so long as

circumstances permitted, the Administration had nothing to lose and eventually something to be gained by maintaining a policy which, in its moderation, continued to include as a part of its design the latent ambition of someday being able to disrupt the existing close relationship of the Chinese and the Russians.[24] Consequently, and in accord with the arguments of State, although there was continuing inter-agency and intra-governmental discussion on the question of revising American trade policy through the first half of 1950, the thrust of NSC 41, reinforced by the conclusions of NSC 48, remained as the general guide on trade matters until the Korean War.

In the first half of 1949, the available documentary evidence does not reveal any significant movement in the direction of better United States relations with the Chinese Communists. On the basis of reporting from the Embassy in Nanking, the Communists were viewed, whether accurately or not, as being in an extremely confident, even arrogant, mood, and little disposed to discuss seriously with any of the Western nations, let alone the United States, the issue of their legal status in the eyes of the international community. Although Communist authorities were reported to make constant reference to the fact that they lacked any sort of official relationship with the United States, the comments were interpreted by the Embassy not as feelers with respect to the possibility of establishing

contacts with American officials for the purpose of discussing the question of better relations but rather as a "hackneyed excuse" for treating United States consular officials in Communist held areas in a rather heavy handed way in retaliation for the Administration's pro-Nationalist policies.[25]

Under these circumstances, the Administration clearly was reluctant to move too far or too quickly in broaching the question of establishing relations with the Communists. It is true that in early April the State Department did authorize Ambassador Stuart to make preliminary contact with high Communist officials with the idea of initiating discussions on the topic.[26] Nothing substantive came of the directive, however, until the latter part of June.

During 1949 there appear to have been three major opportunities -- two in the late spring and early summer and one in the fall subsequent to the formation of the Communist government in Peking -- for serious Chinese Communist Party-American exchange and more cordial relations. The first occurred in late May when the Communists, or at least a faction within the Chinese Communist Party -- American officials were not certain at the time whether the effort had higher Party approval -- approached the Administration suggesting that grounds indeed might exist for developing closer relations with the Western nations and with the United

States in particular. Operating through an intermediary, Chou En-lai, then a member of the Party's Central Committee and the Politburo, on May 31 indicated to the American Consul-General in Peking, O. Edmond Clubb, that the Chinese were going to have to look to the West, especially the United States and Great Britian, for sufficient aid if they expected to be able to have any realistic chance of achieving a successful rehabilitation of China's wartorn economy. Although Chou "emphasized" that he did not speak for the Party as a whole, he explained that a "liberal" faction did exist and was genuinely interested in establishing better relations with the West for this purpose.[27]

In mid-June, the Communists then made a second significant gesture. On the eighteenth, the Party's Director of the Office of Alien Affairs in Nanking, Huang Hua, made a suggestion to the American Ambassador, John Leighton Stuart, that he might want to consider traveling to Peking for the purpose of talking with Chou En-lai, even Mao Tse-tung himself.[28] Ten days later the Ambassador was given a formal invitation to do so.[29] It is significant to note that Huang Hua's mid-June suggestion, that the Ambassador might consider going to Peking, followed little more than a week after the last of two meetings in which Stuart had outlined to Huang what from the American point of view constituted the requirements for a normalization of relations between the United States and the Chinese Communists.[30]

Subsequent to these two episodes, the third possible opportunity in 1949 for developing better relations with the Chinese Communists came in the period after the creation of the People's Republic in early October. On October 2, Chou En-lai, newly appointed as Minister of Foreign Affairs, transmitted a formal statement to the American Consul-general in Peking, O. Edmond Clubb, in which he indicated his view of the necessity "that there be established normal diplomatic relations between the People's Republic of China and all countries of the world." Chou requested that the Consul-general pass his message along to Washington.[31]

A little less than a week later, Clubb advised the State Department of his belief that the Chinese Communists, for related political and economic reasons, probably were quite anxious to obtain formal diplomatic recognition from the West. Politically, Clubb suggested, the Chinese, and also the Soviets, were desirous that the recognition process go through successfully because otherwise "Communist China's political usefulness...would be reduced for (the) USSR if China (was) unable (to) win acceptance in (the) international arena, so as to vote for (the) USSR." Economically, the Consul-general believed, if the Chinese expected to achieve rehabilitation of their society within a reasonable period of time, they were going to require better relations with the West so as to be able to obtain sufficient resources for the task. Moreover, Clubb went on to state, the

Soviets probably would agree with this because of their desire to avoid too great a strain being placed on their own scarce resources.[32]

The Consul-general further noted several days later that since October 1 virtually all anti-American propaganda had been eliminated from the Communist controlled press. Although willing to equivocate that there might be more than one reason for this, Clubb proposed that the relative absence of anti-American comment could be interpreted as "some real shift in (the) Communist propaganda line to aid the People's Government's bid for recognition." He concluded that while nothing was assured in this regard, he nonetheless advised that "There seems good reason (to) believe (the) Communist leaders truly desired American recognition and regularization (of) relations for both political and economic reasons, which this office has previously outlined."[33]

With respect to the possibilities inherent in this situation, in November the Central Intelligence Agency revealed that Chou En-lai had made further comments in late October comparable to those he earlier had transmitted to Edmond Clubb in late May. Speaking to a "source", Chou reportedly had implied that the Chinese Communist Party was allied with the Soviets in substantial measure because it needed allies and that so long as the United States continued its association with "Chiang and the reactionaries" the

Chinese Communists had no choice but to continue to look in the Soviet direction. Although the "source" of this information relayed that Chou was,

> ...quite unwilling to risk (the) loss of Soviet friendship by making overtures to the United States and is further constrained from this course by the presence of the pro-Soviet Chinese Communist Party faction.,

he nonetheless was further quoted as saying that the "...American Government... can expect that the Chinese Communist Party will not always be anti-American."[34]

It is not finally clear whether any of these three instances actually included substantive opportunities for developing better United States relations with the Chinese Communists. Whatever the potential involved, in the case of Chou En-lai's demarche of late May, American efforts in the latter part of June to transmit a reply were twice rejected, thus ending the matter. Although it is not known for sure why Chou refused to receive the American message, recent scholarship appears to confirm that the Soviets found out about the demarche and in placing enormous pressure on the inner councils of the Chinese Communist Party forced the latter to break off all contacts with the United States.[35]

With respect to the potential of the situation in October, as will be shown later in the chapter, if nothing else, by the Fall of 1949, the American attitude had so hardened on the issue of better relations with the Chinese

Communists, that, regardless of the opportunities which might have existed, there probably was little or no possibility of moving in this direction. Besides, the hiatus in anti-American propaganda was short-lived and by the end of October and early November the Communist press was again filled with an anti-American diatribe and United States consular officials were reporting that on almost all matters, whether official or private, Communist authorities appeared to be making it especially difficult for Americans.[36]

It was somewhat different in the case of the Stuart invitation to visit Peking. Although it appears this was the most promising of the three opportunities -- American officials at the time thought it a more significant Communist gesture than the Chou demarche -- the invitation finally was rejected by the Administration. The reasons for this were multiple and will be discussed in some detail below. However, as recent scholarship indicates, in this particular instance, State Department officials in Washington seem to have opposed Stuart's traveling to Peking party because of their concern that, besides causing a great public furor in the United States, it would have greatly complicated the Administration's effort beginning in June to obtain favorable congressional consideration on two important matters: confirmation of W. Walton Butterworth to fill the newly created position of Assistant Secretary for Far Eastern Affairs and passage of the Administration's request for economic and military assistance to Korea.

It is of considerable interest, moreover, to observe that on July 1, the same day on which Secretary of State Acheson notified Ambassador Stuart that "under no circumstances" was he to proceed to Peking, the Secretary also sent a letter to the Chairman of the Senate Foreign Relations Committee, Tom Connolly of Texas, promising that the Administration would consult with Congress before making any decision regarding the recognition of a Communist government in China. The message to Connolly was in response to a letter forwarded to the White House a week before and signed by twenty-one Senators (16 Republican and 5 Democratic) demanding that the United States not extend recognition to a Communist regime before consulting with Congress on the matter.[37] Although Acheson's directive to Stuart on the same day as the Connolly letter undoubtedly must be viewed as coincidence, it cannot be denied that, if the American Ambassador had traveled to Peking for consultations with Chou and Mao, it would have been widely interpreted as preliminary to improved relations between the United States and the Chinese Communists, possibly to include formal recognition of a Communist regime.[38]

It is important to stress, however, that while the official desire to avert public furor and to avoid difficulty in the legislative haggling over Butterworth's confirmation and Korean aid were important considerations in the Administration's particular decision in late June of 1949

not to allow Ambassador Stuart to travel to Peking to talk with Communist leaders, this should not be taken to imply that public opinion had become a decisive factor in preventing the Administration from moving in the direction of better relations with the Chinese Communists, to include extending recognition to their regime after October of 1949.

It is certainly true, that in the process of developing their policy toward the situation in China, officials received intense pressure from pro-Nationalist groups in Congress and from the public-at-large in the year and a half prior to the Korean War, though especially during and after the Summer of 1949. Nor can it be denied that, at least on the surface, the total complex of pressures on decision makers would appear to suggest an influential relationship between the heavy weight of those pressures and the course of the Administration's China policy in 1949 and 1950. It is not surprising, therefore, that many observers have assumed that Administration officials were deterred from maneuvering in the direction of better relations with the Chinese Communists, because of their desire to avoid provoking an even greater storm of protest than that which already existed.[39]

There is no doubt that enormous pressure would have been brought to bear on the Administration had it moved to recognize a Communist regime and that such a decision clearly would have run counter to a preponderance of public

opinion.[40] In view of this, it may be conceded that, all other considerations aside, the factor of public opinion by itself would have been a significant deterrent to the Administration's recognizing a Communist government. On the other hand, had officials been convinced that recognition was in the best interests of the nation, that establishing diplomatic relations with the Communist regime was vital to the process of effectively containing Soviet power in Asia, it is equally possible the Administration would have made a major effort to counter its critics and to educate the American public to its point of view.

These are largely academic considerations, however, for, the fact of the matter was, decision-makers believed the opposite to be true, namely, that recognition was not in the best interests of the nation and that containment priorities would be poorly served in such an event. The documents clearly reveal that, from the point at which the issue began to be discussed early in 1949, though especially beginning in May and after, at no time during 1949 or in 1950 prior to the Korean War did policymakers ever consider it feasible to develop a friendlier relationship with the Chinese Communists for a variety of reasons which had nothing to do with public opinion or with the pressures caused by the Administration's China policy critics.[41]

Although all contributing factors must be understood as inter-related, it is possible for the purpose of

explanation to divide Administration thinking on this question into two broad categories. There existed, on the one hand, a number of problems at the diplomatic level which the United States and the Chinese Communists were never able to resolve in 1949, problems which any two nations would have had to work out in order to establish the basis for a normalization of relations, e.g., would the new government honor existing American treaties and agreements with China; what would be the regime's attitude toward American property and citizens; what sort of treatment would be accorded to United States diplomatic and consular representatives?

The fact that no Communist government formally existed which the United States could recognize until October of 1949 -- a situation which American officials repeatedly referred to as a factor in their unwillingness to extend recognition until that time -- also could be included in this category.[42] However, it can only be assumed that on this level, the lack of a basis for de jure recognition would not have constituted much of a problem for the Administration in developing some sort of legal association with the Communists in view of the unalterable fact that by the Summer of 1949 they were in de facto control of nearly all of China. In other words, if the Administration really had wanted to recognize the existing condition of Communist authority in China, the legal procedures for doing so were available.

The second constraint on the Administration in dealing with the Chinese Communist Party was concern about the Soviet Union. The policy problems for resolution were several: what approach was most likely to result in an effective containment of Soviet power in Asia, how best could the Kremlin's influence in China be reduced and eliminated, how could American prestige in Asia and the world best be maintained and enhanced; what sort of procedure would favor the American advantage in the strategic scheme of international power politics and which one would work best to promote the disadvantage of the Russians and the international communist movement? As the U.S. Charge d'affaires in Moscow stated the problem in a memorandum in late June of 1949, the "China policy of (the) West must be based not on China alone but upon our relationship with (the) entire Soviet-dominated communist world."[43]

Despite the Administration's desire to retain as much of the United States' influence in China as a counter to that of the Soviets, the American position, official and private, deteriorated steadily throughout 1949. It is difficult to see how it could have been otherwise in view of the Administration's policy of recognizing and supporting the Nationalist government. So long as this policy remained in effect there was very little, if any, chance for the United States and the Chinese Communists to develop a closer relationship.

On the other hand, however much the lack of opportunities in this regard may be traced to the continuing Washington-Nanking-Taipei association, it is of some interest to note that newly released documentary evidence in combination with the results of recently completed scholarly research raises very compelling questions as to just what policy options realistically were available to the Chinese Communists.[44] Two observations are pertinent. First, a bitterly anti-American and pro-Soviet faction in the Chinese Communist Party not only appears to have been in the ascendancy in 1949 but as well seems to have had firm control over the military wing of the Party.[45] In contrast, a pro-Western faction that centered on Cho En-lai and which may have favored closer ties with the United States, as Edmund Clubb expressed it, "controls no troops and unless his views have (the) support (of) important military elements he and other potential Titos would assuredly lose out in any attempt (at a) palace coup."[46]

Second, the Soviets appear to have been able to bring enormous pressure to bear on the Chinese, not only on the basis of the intra-party predominance of the pro-Russian faction but also because of the presence of a puppet regime in Manchuria over which the Soviets exercised a deciding influence. The Chinese Communist leadership simply could not afford to lose access to the resources and heavy industrial potential of the area if they hoped to engage in a

successful program of economic development for China as a whole. In other words, the province, in effect, existed as a hostage to the continuing loyalties of Peking and thus constituted a significant impediment to any Chinese move in the direction of friendlier relations with the United States.[47]

In any event, and irrespective of the Soviet induced curbs which might have existed on the freedom of the Chinese to pursue the option of better relations with the United States, the fact remains that American policy precluded this possibility in its own right. The Consul-General at Shanghai, John M. Cabot, put his finger on the problem of the United States pursuing a policy poised ambiguously between attempting to win Chinese Communist respect while at the same time answering Chinese hostility in kind. In an early July dispatch Cabot observed that "in our China policy we cannot have it both ways." If the Administration's intent in maintaining the various levels of American involvement in China, public and private, had as one of its primary purposes conserving the nation's capacity to exercise influence in Chinese affairs, then in his opinion the decision not to allow Stuart to travel to Peking was "disastrous" since by this decision the United States had

> ...rejected (an) opportunity to place (the) foreign viewpoint and problems before (the) top Communists and to establish some local working contacts which are so needed

> and so lacking in (the) present ominous situation. We may also have placed those Communists favoring better relations with (the) West in (an) impossible situation and (the) general resentment at our rebuff may aggravate (a) dangerous situation developing here.[48]

Thus Cabot implied, either get on with the effort to develop some influence with the Chinese Communists, an option which he preferred, or with the more aggressive approach, in which case he advised that American citizens should be evacuated from China even if it meant compensating them for lost property. This, he believed, would be cheaper in the long run than having to pay the costs of those incidents involving Communist pressure on American citizens and property which were sure to occur in the course of pursuing "a positively antagonistic policy."[49]

Whatever the merit of these views, the ambivalence in policy remained, ultimately to the point of its own resolution on the side of increasingly bitter American attitudes toward the Chinese Communists, created by the accumulation of those very incidents involving United States citizens and property which Cabot had warned would occur by continuing the existing policy. With only brief respite in 1949 Chinese Communist propaganda was continuously hostile, frequently singling out the United States for especially vituperative condemnation as the chief "enemy" of the Chinese people. In this context, American commercial firms faced increasing difficulties in carrying on with the normal

course of their business operations. Restrictions imposed by State monopolies limited businessmen to the point of their having to clear virtually all the activities of their firms with Communist authorities. Plans were announced for imposing taxes on the profits of foreign owned commerce. In the absence of police intervention, Chinese laborers besieged their American employers, not allowing them to leave their offices until agreements were reached on labor contracts, allowances made for severance pay, and until other demands were met. In many instances, exit visas were denied to "skilled technicians" until they agreed to instruct the Chinese in their special skills, and to executives and managers as well until the affairs of their firms were settled. Indeed, there were threats to hold Americans until all future claims against their companies were settled to Communist satisfaction.[50]

On the diplomatic side, the Communists repeatedly underscored their refusal to be bound by any existing American multilateral or bilateral treaties and agreements with China, more than thirty in all if several from the pre-1911 Imperial period were included. Just as in the case of those limitations imposed on the activities of citizens in the private sector, Communist authorities in 1949 increasingly curtailed American diplomatic and consular operations as well. Restrictions were placed on the movement of American officials. In some instances they were placed under virtual

house arrest. Communist officials increasingly refused to have any contact with American representatives on the grounds that formal diplomatic relations did not exist between the two. Exit visas were denied and police refused to intervene in the siege of consular and embassy buildings by mobs of Chinese who refused to allow any contact with the outside. Radio communications were increasingly limited and in some cases finally discontinued as a diplomatic courtesy. Outright physical intimidation of American consular officers occurred including several instances of beating and injury. There were violations of official quarters by Communist soldiers including an early morning entry in late April into the bedroom of the American Ambassador in Nanking. By the end of the summer the Communists had eliminated all United States Information Service activity in areas under their control. Indeed, in all respects official American operations declined to such an extent that by the end of 1949 only the consulates in Nanking, Shanghai and Peking continued to function with all official personnel being evacuated finally in late April of 1950.[51]

Although these cumulative episodes were in themselves galling enough, what really produced American intransigence in the matter of dealing with the Chinese Communists was their arrest and detention of United States citizens and representatives. Since October of 1948 Marine Sergeant Elmer C. Bender and a civilian engineer, William C. Smith,

both members of the American naval headquarters at Tsingtao, had been held by the Chinese Communists on charges of spying. They were not released until May of 1950.[52] In early July, the American Vice Consul at Shanghai was arrested, beaten and jailed for a short period of time under the threat of being tried for espionage.[53]

However, it was the in-house detention of the entire staff of the Mukden consulate also since October of 1948, which the Administration viewed as being especially serious, so serious in fact that it was included, along with the Smith-Bender case, as a factor automatically precluding American recognition of a Communist regime in nearly all official discussions on the matter in the year or so prior to the Korean War.[54] Even more ominously, the October 1949 arrest, imprisonment and trial of the Mukden staff so infuriated the President that he talked in terms of blockading the China coast from Tientsin to Shanghai and sinking any Chinese vessels not heeding American warnings.[55] He even requested the Joint Chiefs of Staff to pass on the feasibility of a plan for sending military forces to rescue the consulate staff. The JCS advised against any such effort.[56]

The failure to resolve these multiple points of diplomatic friction, and, as a result, the ensuing intensification of American bitterness and hostility toward the Chinese Communists, must be traced, in substantial measure,

to the second of the above described categories of considerations which entered into Administration thinking on the question of relations with Peking, to wit, those considerations which revolved around the fundamental policy question in 1949 and 1950: what sort of approach to the Chinese Communists would best serve to shatter the momentum of the international communist movement thus to contain and eventually force a retreat of Soviet power and influence in Asia and the world?

Although some discussion on the question of recognition of the Chinese Communists did occur in Washington in the early months of 1949, it was not until the latter part of May that the matter began to receive close attention. Already, in the latter part of April, the Central Intelligence Agency, on the basis of the belief that the Nationalist cause was hopeless, had reported that "China has ceased to be a calculable factor in relation to US security."[57] One month later, with all of central China lost to the Communist control, the CIA advised that

> The most pressing current problem for the US and other foreign powers is that of deciding the nature of their future diplomatic and commercial relations with the new regime which the Communists will certainly establish within the next few months."[58]

Accordingly, Administration officials began to elaborate and clarify the criteria by which they hoped to be able to judge and to act on the requirements of the situation.

Administration thinking from the outset generally consisted of two essential guidelines: one, that the United States itself should refrain from any implication of being willing to move gratuitously in the direction of recognition and, second, that the United States and the West European nations should develop a "united front" policy on all matters relating to the issue.[59] The Adminstration never relinquished this position prior to the Korean War, though the hope to maintain a "united front" with the Europeans was frustrated before the end of 1949 with the British making it clear that their interests in China and Hong Kong required establishing formal relations with the Communist government in Peking.[60]

Theoretically, American policy was one of "wait and see", of not moving "precipitously" until the Chinese Communists were willing to deal with the United States in a manner which officials deemed fair and equitable. For one thing, the Communists would have to demonstrate in their relations with other nations a capacity to abide by the normal and accepted rules of international conduct. Already in early February of 1949 Secretary of State Acheson had established that any possibility of the United States and the Chinese Communists developing a friendier relationship would depend on the degree to which the latter proved capable of respecting treaty obligations with the United States and other foreign powers.[61]

However, on the basis of the shabby treatment of American officals and citizens by Communist authorities in areas under their control, by mid-1949 American officials were virtually certain that the Chinese could not be expected to abide by the "normal rules" of international conduct. The Chief of the State Department's Division of Chinese Affairs, Philip Sprouse, argued that "if (Chinese Communist) acceptance (of their international responsibilities) is not obtained prior to recognition we fear that it would probably be impossible to obtain even this subsequently."[62] Several weeks later, the Acting Secretary of State, James E. Webb, clearly outlined the Administration's position on the matter when he directed that the American Consul General in Peking pass along the following reply to the late May Chou En-lai demarche:

> While we welcome expressions (of) friendly sentiments, he must realize that they canot be expected to bear fruit until they have been translated into deeds capable of convincing (the) American people that Sino-US relations can be placed upon (a) solid basis (of) mutual respect and understanding to (the) benefit (of) both nations.[63]

Although American policy ideally allowed that the Chinese Communists should be given the opportunity to demonstrate their independence, in fact, at the top levels of the Administration, also by the Summer of 1949, policymakers had come to accept the irrefutable truth that the Chinese association with Moscow was extremely close -- the implications

of the Chou demarche and the Stuart invitation notwithstanding. It was axiomatic in official thinking, therefore, that the Chinese inevitably were to be counted among those forces in the world aggressively determined to undermine and to ultimately destroy Western society and culture. In a word, Peking's presumed ties with Moscow created a condition, which, by definition in the American way of thinking, meant that the Chinese simply were incapable of abiding by the normal rules of international conduct. The very meaning of the category "aggressor" precluded that the entity to which the label was attached had the ability to act responsibly and peacefully in world affairs.

Here was the bottom line for American policymakers. The Chinese Communists had to prove, without a shadow of a doubt, that they had the ability to act as a sovereign government and as a nation fully independent of the Kremlin's influence or control. In the absence of this, in 1949 and in 1950 prior to the Korean War, there existed not the shred of a chance that the Administration would consider recognition of a Communist regime. Though discussion did continue throughout 1949 and into 1950 concerning the question of a possible split between the Chinese Communists and the Soviet Union, decision makers never perceived more than the vague outline of circumstantial evidence pointing in such a direction. Indeed, the evidence seemed overwhelming that the Chinese were not calling their own plays.

In view of this, there always remained the persistent suspicion that any and all Chinese Communist feelers to the United States on the matter of better relations were made, not in accord with a genuine desire to develop a healthier relationship, but on the basis of ulterior and self-serving motives, a tendency American officials always felt comfortable in assessing against the presumed insidious potential of the communist character.[64] As a result, American officials could only conclude, as casually expressed by the Charge' of the Moscow Embassy, that, in the matter of better relations with the Chinese Communists, the "long view is the only view" and that "Mao is not for sale now."[65]

In the meantime, waiting was the only plan for encouraging conflict in the Moscow-Peking axis. In fact, the thrust of official speculation on the matter appeared to suggest that any active American effort to encourage Chinese deviation in the immediate setting might prove more a liability than an asset to American interests. In the process of reiterating its opinion that the "uncertainties of CCP-USSR relations are uncertainties of the future and not of (the) present", the Embassy in Moscow proposed that in their deviousness the Soviets themselves might have encouraged all the "Titoist" talk about the Chinese Communist Party as a device by which to weaken Western vigilance.[66]

Although this was probably not the case in 1949, in the latter part of July, the Consul-General in Peking,

Clubb, raised a more compelling possibility by reporting a conversation with some of his Chinese contacts in which they had warned that a United States touting of Mao Tse-tung as a potential Asian Tito, and certainly by treating him as such, would have the effect of putting enormous pressure on Mao who as the leader of the Chinese Communist Party had no choice for the time being but to maintain a proper attitude toward the Soviet Union.[67] Several months later the increasingly isolated American Embassy in Nanking relayed to Washington its

> ...impression...that Titoism arose in Yugoslavia not because of an action or failure to act on (the) part of (the) Western Powers, but as direct results of actions injurious to Yugoslav political independence and economic reconstruction. We consider estrangement between China and (the) USSR will probably arise in (the) same way and our recognition at this time could contribute little or nothing to this development.[68]

It is significant to note that by mid-Summer of 1949 the policymaking belief that United States recognition of a Chinese Communist regime would have no beneficial impact on American efforts to undermine Soviet influence in China or to contain international communism in Asia had been joined by the thinking of some in the State Department that United States interests in Asia might be better served by taking a hard-line policy toward the Chinese Communists. It was not a policy orientation accepted by the Administration in the period prior to the Korean War, though it was an

attitude which found increasing popularity side by side with the less overtly hostile approach which remained in effect until mid-1950.

Anger at being pushed around by the Chinese Communists was underscored by the more rational assessment that passivity in the face of aggression would beget further aggression and that by its very nature aggression required a firm response. In this view, it would be necessary for the United States to take some action to dispel the label of "paper tiger" being used by the Chinese Communists to describe the American presence in Asia and to offset any hint of the image that the nation might not have the capacity for effectively reversing the communist momentum in Asian affairs.

As a measure of this hard-line attitude, it is important to cite several examples. In early July, the Director of the State Department's Policy Planning Staff, George Kennan, suggested in a memorandum that in view of the fact there seemed little chance of denying Formosa and the Pescadores to the Chinese Communists through a continuation of existing policy, it seemed to him there were two essential policy options. The first would entail some sort of multilateral action designed to keep the islands from Communist control. The second he suggested,

> ...would be to announce a temporary unilateral reassertion of authority over

> the islands on the grounds that subsequent events had invalidated all the assumptions underlying the Cairo Declaration and that U.S. intervention was required by the interests of stability in the Pacific area as well as by the interests of the inhabitants of the islands.[69]

While admitting that all available information would appear to indicate that both options "should be rejected" and that the United States should reconcile itself as to the eventual fall of Formosa, Kennan went on to say that,

> I personally feel that if the second course were to be adopted and to be carried through with sufficient resolution, speed, ruthlessness and self-assurance, the way Theodore Roosevelt might have done it, it would be not only successful but would have an electrifying effect in this country and throughout the Far East. I have nothing to support this view but my own instinct.[70]

Kennan conceded any such policy would entail enormous risks, it would "provide the Kremlin and Chinese Stalinists with a welcome propaganda foil", and it "would involve a considerable amount of pushing people around, which would be unpleasant and might lead to serious moral conflicts within our own people and government."[71] Nonetheless, the PPS Director proposed that the matter might be taken up in the National Security Council and with respect to the consideration "that our situation in the Far East will not permit further inaction in areas where our military and economic capabilities would be adequate to meet the possible commitment flowing from intervention...."[72] He

concluded that if the NSC would agree to this sort of action, despite the reluctance of the Joint Chiefs of Staff to commit military forces to defend Formosa, "then my personal view is that we should take the plunge."[73]

In a late August memorandum, John P. Davis, Jr., then a member of the Policy Planning Staff, established that

> Never in the history of U.S. relations with China has the predominate regime of that country viewed us with such uncompromising enmity. Never has the prestige of the United States in China been so low. And never have we been so apparently at a loss to make our influence felt in China.[74]

However, even more alarming, Davies thought, was the fact that there,

> ...is the mistaken evaluation by the dominate faction in (the) Chinese Communist leadership of international realities and power relationships in the world. The Communists' victory over the Nationalists armed with American weapons, their humiliation of the British Navy in the lower Yangtze and their ignorance of the real significance of air power have resulted in the thesis that the U.S. is a "paper tiger". The U.S.S.R. certainly has no interest in disabusing the Communists of this mischievous fancy.

And, Davis lamented, "For our part, it must be admitted, we have done little to belie the role of 'paper tiger' attributed to us."[75]

Davis believed this to be a "risky" and "explosive" situation, one in which the "initiative lies in the reckless hands" of the Communists who, because they were

"unaware of power realities in the world and uncurbed by any manifestation of effective counter-force", could be expected on the basis of their "fanaticism", therefore, to "feel free to engage in the dangerous game of mounting provocation." This "intolerable state of affairs" could only be remedied, he argued, by the United States making unequivocally clear to the Communists that "we have both the ability and the will to do compelling damage to their vital interests."[76]

While acknowledging that any American action taken in this regard could not have as its objective the "utterly quixotic" one of the "unconditional surrender" of the Communists, nor for that matter one calculated "to create a formal state of war" with them, Davies suggested "The only feasible aim is a limited and flexible one -- coercion by punitive action or the threat thereof." By advocating the procedure of "coercion by punitive action", he proposed that the Defense Department and the National Security Council be asked to consider the option of American air power being brought to bear through the use of "hit and run, attritive raids" against selected targets throughout China and on a severely reciprocal basis -- a bombing mission in response to each serious incident of Chinese provocation.[77] Davies conceded that this sort of American escalation might lead to serious problems with the Soviets, and yet, he observed,

> The question must arise some place in our relations with the U.S.S.R. -- and it will probably be in Asia -- whether we can

> afford to follow indefinitely a policy of avoiding risks of conflict with them at whatever cost to us.[78]

Here was the man, John P. Davies, Jr., who in the early 1950's the congressional Red baiters and McCarthyite extremists would accuse of being soft on communism!

Finally, in addition to the Kennan and Davies contributions to the emerging hard-line position in the State Department, one must consider the manner of thinking present in the Division of Far Eastern Affairs only weeks before the outbreak of the Korean War. Proposing that "The United States faces a new and critical period in its world position", a memorandum first written by John Foster Dulles and subsequently endorsed by the recently appointed Assistant Secretary of State for Far Eastern Affairs, Dean Rusk, argued that,

> The loss of China to the Communists who, it now seems will work as junior partners of Soviet Communism has had tremendous repercussions throughout the world. It has marked a shift in the balance of power in favor of Soviet Russia and to the disfavor of the United States.
>
> While that basic fact is generally accepted, no one is yet quite sure as to the precise extent to which that power relationship has been shifted. Throughout the world, in Europe, the Mediterranean, the Middle East, Asia and the Pacific, governments and peoples are intently watching for the next move which will provide a measure of the extent of the power shift, so that they can orient their own policies accordingly.[79]

Having noted a series of pertinent considerations, the memorandum went on to argue that in view of the fact that "peoples are intently watching for the next move", the United States was going to have to take specific steps to demonstrate its competence to neutralize, even reverse, the recent "shift in the balance of power in favor of Soviet Russia."[80]

As this situation related to the problems of Formosa, the Assistant Secretary continued his memo by conceding that there was little question but that a decision to withhold the island from Communist control "would involve spreading of our own military force, and possibly some actual losses" and that "a strong stand...would involve a slightly increased risk of early war." However, these considerations were only of a "secondary order" in context of the time and the need to take decisive action for the purpose of offsetting the momentum of the international communist movement. The fall of Formosa, he believed, not only would constitute a profound embarrassment to the nation, but at the same time it would "not leave a good taste if we allow our political problems to be solved by the extermination of our war allies...."[81] With respect to the possibility that a "strong stand" on Formosa might result in a more general escalation of hostilities, the memorandum concluded with the thought that "sometimes such a risk has to be taken in order to preserve peace in the world and to keep the

national prestige required if we are to play our indispensable part in sustaining a free world."[82]

Mao Tse-tung's shopping trip to the Soviet Union in mid-December of 1949 merely confirmed the official belief in the close Moscow-Peking connection while at the same time serving to convince the hard-liners in the Administration of the importance of the United States implementing a more aggressive containment policy -- a notion given extensive and needed conceptual support by the release of NSC 68 in April of 1950. On the other hand, there was, at the time, some discussion of the possibility that Mao's pilgrimage would not be successful; that the Soviets would fail to come through with adequate aid to offset China's economic problems, therefore to trigger Peking's presumed latent pragmatic capacity to look elsewhere for assistance; or, that Stalin would attempt to exact too many concessions from his East Asian compatriots, thus to violate Chinese nationalistic sensibilities.

As a result, officials were able to add one more rationalization to their already extensive list of reasons for not recognizing a Chinese Communist regime. The Administration would do well, so the reasoning went, to wait and see if the Kremlin possessed sufficient "wisdom and flexibility" to deal with the Chinese differently than the heavy handed way in which they had moved to dominate the East European satellites. If the Soviets proved inept in this

regard, then opportunities, to include use of the recognition issue, might develop for exacerbating conflicts between the two.[83]

But few in the Administration expected much, if anything, in this regard and it was no surprise when, within several weeks after Mao's departure, the Central Intelligence Agency warned in mid-January 1950 that,

> Soviet penetration of key units of the Peiping administration is now in process and the USSR, capitalizing on the Sino-Soviet alliance and China's request for assistance, is installing itself solidly in China, thus reducing the chances for Chinese "Titoism"....[84]

The late February State Department assessment of the Sino-Soviet Treaty, concluded at mid-month on the basis of Mao's stay in Moscow, confirmed the CIA prognosis by concluding that, while there might be some "public rumbling" in China over the perceived insufficiency of the agreements, there was little doubt that all such expressions of disappointment would be "quelled forceably by the Stalinist faction within the... Party, whose position has been greatly strengthened by their conclusion."[85]

As though Administration officials needed to be reminded about what this meant, the same January CIA report had observed that since the Moscow-Peking relationship could be expected to remain close, there was every reason to believe that China would continue to "be a reliable instrument of Soviet foreign policy" for some time to come. Since

there was no question but that the Soviets would attempt to expand their power and influence beyond China, the CIA could only assume, therefore, that,

> The chief threat China will pose to US interests in Asia will be as a base from which to carry on revolutionary activity elsewhere in Asia.[86]

In fact, the Agency revealed that "As of January 1950 a kind of Cominform of the Orient has been set up in Peiping" operating under the guise of the communist-dominated World Federation of Trade Unions and that in the immediate future its initial efforts probably would be directed toward exacerbating the deteriorating French position in Indochina.[87] A month later, the CIA expanded on the implications of this by adding that,

> In view of (the) recognition of Vietnam by the US and UK, the total defeat of the French and Bao Dai would cause Western influence to sink to a new low throughout the Far East.[88]

Moreover, the February report continued that "If Indochina fell into Communist hands, the way would be paved for Communist control over Thailand and Burma", with Indonesia not far behind.[89]

These CIA assessments in the early months of 1950 described the very situation which American officials long had anticipated probably would develop once a Communist regime came to power in China and was another reason why the Administration had refused to consider recognizing a Chinese

Communist government in 1949, because, in the words of the Assistant Secretary of State for Far Eastern Affairs, W. Walton Butterworth, recognition "by the Western Powers would cause adverse reactions in Southeast Asia."[90]

Actually, the American position did not reflect the thinking of most Asian governments on the matter which, with the exception of Thailand's opposition to recognition and the Philippines' willingness to follow the United States' lead, by the late months of 1949 definitely leaned in the direction of establishing diplomatic relations with the Chinese Communists. Besides the fear of being politically isolated and of missing the bandwagon and the view that economic interests would be better served, the arguments in support of recognition were several: it would produce in the Chinese a willingness to abide by their international obligations; it would mute Chinese Communist hostility and deflect their intention to support subversive activities designed to overthrow other governments; it would allow other governments in the area to better protect their interests while putting them in a better position to have a moderating influence on the Peking regime; by providing contrary influences to those of the Soviets it would hasten the emergence of "Titoist" tendencies in the Chinese. By the end of 1949, West European countries also were coming around to this point of view, especially behind the British lead on the question.[91]

It will be recalled that in October of 1949 the State Department had invited an assembly of experts on Asia from around the country to contribute their views to the in-house review of United States Far Eastern policy begun in August by the special review group, the Committee of Three, headed by Ambassador-at-Large Philip C. Jessup. The conclusions of this congregation of experts had anticipated the probability of international divisiveness on the question of recognition by explaining that if other nations did extend recognition to the Peking government it would leave the United States somewhat isolated in the matter and with the unwelcome prospect of being "forced into temporizing with a situation beyond its ability to control."[92]

On the other hand, the experts also argued that in terms of American interests a fine line existed between recognizing a Chinese Communist regime too late and in doing so too early, that if the Administration should avoid being left behind neither should it precipitously and gratuitously move to grant recognition prior to a Chinese willingness to honor its international obligations. If this were to happen, the experts believed, the United States "would appear to be engaging in a panicky retreat in all of Asia...."[93]

This last piece of advice closely resembled the weight of official opinion. Policymakers agreed with none of the arguments advanced by those favoring recognition and were convinced that it would fail to achieve any of the

results which Asians and Europeans anticipated. But there was more to it than this. Assuming that the Peking regime would continue to operate for some time to come as an agent of the international communist movement, officials believed that American recognition simply would remove one further obstacle to a more convenient Chinese Communist penetration into Southeast Asia affairs. The Chief of the State Department's Division of East European Affairs, Charles W. Yost, elaborated this point in a late August 1949 memorandum to Ambassador-at-Large Jessup by arguing that

> Prompt recognition of the Communist regime by the Western powers would be interpreted throughout the Far East, including China, as a clear sign that we are ready to accommodate with the communists. Elements of resistance in China and governments of neighboring countries would consider that they had no alternative but to accommodate and their accommodation would almost certainly go much further than ours, amounting in some cases to total capitulation....[94]

Non-recognition, in other words, was a symbol of American opposition to communist expansion into Southeast Asia, a symbol which, so long as the Peking regime remained tied to the aggressive designs of the Kremlin, had to be sustained as a means for boosting anti-communist morale and as a point around which the forces of resistance to communism in Asia could rally.

In retrospect, it is clear that in 1949 and until June of 1950 at no time did policymakers perceive the existence of substantive opportunities for developing better

relations with the Chinese Communists. At no time in this period did officials consider that it would serve the American interest to accord diplomatic recognition to a Chinese Communist government. Even those, whose advice leaned most in the direction of assuming that the United States realistically could not postpone recognizing a Communist regime indefinitely, were not prepared to argue that conditions were right in the year or so prior to the Korean War. Although the State Department's in-house Far Eastern policy review group, the Committee of Three, advised in a mid-October memorandum that "The U.S. Government should now decide that in due course it will recognize the Communist regime" and that "We should avoid an extended period of non-recognition or any other unilateral approach to the problem", nevertheless, the memo added, it would be necessary for the Chinese first to meet "the criteria we apply to new regimes."[95] A few days later a member of the Committee, Raymond B. Fosdick, observed that while it had to be admitted that in retrospect "the unilateral participation of the United States in the Chinese civil war was a misfortune", it did not follow that the United States could rectify the mistake by hasty recognition of the Communist regime in Peking. It would first have to demonstrate willingness to discharge its international obligations.[96]

Moreover, the October assembly of experts on Asia called to contribute their opinions of Asian policy, one

State Department official reported, so took the desirability of recognition for granted that virtually no time had been spent in discussing the justification for doing so. And yet, the experts, with few exceptions, also had agreed that recognition could only "be granted at a certain time and under certain conditions."[97] Thus both in the case of the advice of the experts as well as in that of the Committee of Three -- two members of which, Raymond B. Fosdick, head of the Rockefeller Foundation, and Everett Case, President of Colgate University, had been called in expressly for the purpose of bringing a fresh perspective to Far Eastern policy questions -- the best outside counsel available to government officials never contradicted in any meaningful fashion the unrelieved opposition to recognition which had existed within the Administration since the beginning of 1949.

In sum, the perceived requirements of containing Soviet power simply overwhelmed all other considerations concerning the particular issue of United States - Communist Chinese relations. For their own part, and whether despite or because of the American display of Cold War intransigence in the matter, the Chinese Communists never provided more than highly equivocal evidence that they might be willing to consider seriously developing better relations with the United States and no evidence that a closer relationship between the two would facilitate in any way the Administration's containment objectives. The only way that the

Chinese, as avowed "communists", could have demonstrated to the Administration's satisfaction that their international intentions were honorable and "normal" would have been for them to offer positive proof of an ability to think and act independently of Soviet influence. This was not possible at the time, it now seems clear, and neither was American recognition.

[1]See, for example, Memorandum by Mr. John P. Davies, Jr., of the Policy Planning Staff, 24 August 1949, F.R., 1949, IX, 536.

[2]See, Memorandum by the Policy Planning Staff, 7 September 1948, F.R., 1948, VIII, 148, 153-154. (This PPS memorandum became the conceptual basis for the NSC 34 series "United States Policy Toward China" which the President approved on 4 February 1949, see, ibid., 147fn; see also, Draft Report by the National Security Council on United States Policy toward China, 2 November 1948, ibid., 185-187; Note by the Executive Secretary of the National Security Council to the Council, 11 January 1949, F.R., 1949, IX, 474-475; Memorandum by the Executive Secretary of the National Security Council to the Council, 4 February 1949, ibid., 484-485.

[3]Study Prepared by the Director of the Policy Planning Staff, Paul H. Nitze, 8 February 1950, F.R., 1950, I, 146.

[4]On this point of winning the Chinese Communists away from the Soviets, see the comments by the Counselor of the Embassy in China, that the "fundamental" U.S. policy toward China "...should be to prevent China from becoming (a) reenforcement to Soviet power. To achieve this end, we must wait for (the) development of (a) Chinese form of "Titoism", meanwhile doing nothing to encourage (the) growth of (a) strong Communist China. Policy of outright hostility toward (the) rulers of China and overt support of subversive activity against them, while it undoubtedly would hinder consolidation (of) CCP power, would be unlikely to contribute toward (the) detachment of China from (the) USSR because it would conflict with, rather than make use of Chinese chauvinism." The Counselor of the Embassy in China, 3 September 1949, in U.S. Dept. of State, Foreign Relations of the United States (Washington, D.C., 1978), VIII, 520. Hereafter cited as F.R., 1949, VIII. (This particular memorandum apparently had considerable impact on State Department thinking in Washington. See, Ibid., 521fn; Also, see, George Kennan's comments in, Report by Mr. Charles W. Yost, Special Assistant to the Ambassador-at-Large, 16 September 1949, F.R., 1949, VII, 1206.

[5]Draft Report by the National Security Council on United States Policy Regarding Trade with China, 28 February 1949, F.R., 1949, IX, 828.

[6]Ibid., 828.

[7]Ibid., 828-829.

[8]Ibid., 829.

[9]Ibid., 829.

[10]Ibid., 829.

[11]Ibid., 830.

[12]Ibid., 833-834.

[13]Ibid., 833; In addressing a meeting of experts on Asia assembled by the State Department in October of 1949, General George C. Marshall, made this comment: "I don't think you can call the Japanese-Chinese trade exactly a "must" but it comes pretty close to being that. We are not going to go on forever providing the goods, the foods, and the money that has been necessary to keep Japan afloat." Minutes of the Meetings of the "Roundtable Discussions" of 6, 7 & 8 October, President's Secretary Files, Box 174, Truman Papers, HSTL.

[14]Draft Report by the National Security Council on United States Policy Regarding Trade with China, 28 February 1949, F.R., 1949, IX, 833.

[15]Ibid., 833.

[16]Memorandum by the Secretary of State of a Conversation with President Truman, 16 September 1949, ibid., 878; White House dissatisfaction over the existing U.S. trade policy with China apparently had begun to develop some time earlier, see, Memorandum by Mr. Livingston T. Merchant of the Office of Far Eastern Affairs to the Chief of the Division of Chinese Affairs, 24 August 1949, ibid., 870-871.

[17]As already indicated, this view was always a latent part of American trade policy toward the Chinese Communists. See, for example, W. Walton Butterworth's comments in a conversation with British officials in Washington in September of 1949 that one of the essential objectives of U.S. trade policy was, "...to disabuse the Chinese Communists of their preconception that western nations are necessarily, by virtue of their capitalist and imperialist societies, bound to accept a passive role in their economic relations with Communist China." Butterworth went on to argue in favor of a common British American trade policy, "...not with the idea necessarily of arbitrarily preventing the flow of such goods, but as a symbol of our ability to take punitive measures against the Chinese Communists if such action should be made necessary in the future." Memorandum of Conversation by Mr. Robert N. Magill of the Division of Chinese Affairs, 9 September 1949, ibid., 872; See also, The Counselor of the Embassy in China that "Conciliatory gestures now of (an) economic or diplomatic nature would not only be opposed by (a) large portion of (the) American public but would simply be interpreted by (the) CCP as bearing out (the) Communist theory of (the) inner weakness of (the) USA." The Counselor of the Embassy in China to the Secretary of State, 3 September 1949, F.R., 1949, VIII, 520.

[18]For a good example of this line of reasoning see, The Charge in the Soviet Union to The Secretary of State, 1 November 1949, F.R., 1949, IX, 888-889.

[19]See, for example, the State Department's November 1949 report on U.S. trade policy with China, Memorandum by the Department of State, 4 November 1949, ibid., 890-896.

[20]Ibid.

[21]A Report to the President by the National Security Council on the Position of the United States with Respect to Asia, 30 December 1949, F.R., 1949, VII, part 2, 1219.

[22]Memorandum by the State Department, 4 November 1949, F.R., 1949, IX, 895.

[23]Ibid., 895.

[24]On this point, a November 1949 Acheson memorandum of conversation with the President is particularly revealing. (Acheson and the President are discussing the latter's consultation earlier in the day with members of the State Department's Committee of Three then involved in reviewing United States Far Eastern Policy). "I said to the President that if we had had a little more time this morning I should have liked to have had the discussion center on what seemed to me to be a pretty basic issue of policy on which I thought the Consultants minds were very clear. Broadly speaking, there were two objectives of policy: One might be to oppose the Communists regime, harass it, needle it, and if an opportunity appeared to attempt to overthrow it. Another objective of policy would be to attempt to detach it from subservience to Moscow and over a period of time encourage those vigorous influences which might modify it. I pointed out that this second alternative did not mean a policy of appeasement any more than it had in the case of Tito. If the Communists took action detrimental to the United States it should be opposed with vigor, but the decision of many concrete questions would be much clarified by a decision as to whether we believed that we should and could overthrow the regime, or whether we believed that the second course outlined above was the wiser. I said that the Consultants were unanimous in their judgment that the second course was the preferable one. The President thought that in the broad sense in which I was speaking that this was the correct analysis and that he wished to have a thorough understanding of all of the facts in deciding the question. He believed that today's meeting had greatly helped him." Conversation with the President, 17 November 1949, Box 64, Acheson Papers, HSTL.

[25]The Ambassador in China to the Secretary of State, 29 April 1949, F.R., 1949, IX, 12-14; The Ambassador in China to the Secretary of State, 3 May 1949, ibid., 14-15.

[26]The Secretary of State to the Ambassador in China, 6 April 1949, F.R., 1949, VIII, 230-231.

[27]The Consul General at Peiping to the Secretary of State, 1 June 1949, ibid., 357-360. The intermediary who passed the Chou En-lai message along was an Australian journalist, Michael Keon, employed n China by United Press, see, The Ambassador in China to the Secretary of State, 7 June 1949, ibid., 373. Actually, Keon gave the message to Colonel David W. Barrett, Assistant Military Attache to the American Consulate at Peking who then turned it over to Clubb, see, ibid., 357.

[28]The Ambassador in China to the Secretary of State, 30 June 1949, ibid., 766. (Ambassador Stuart first reported the earlier informal suggestion made by Huang on the 18th of June, in this dispatch on the 30th.)

[29]Ibid., 766-767.

[30]See, The Ambassador in China to the Secretary of State, 14 May 1949, ibid., 745-746; The Ambassador in China to the Secretary of State, 8 June 1949, ibid., 752-753.

[31]The Consul-General at Peiping to the Secretary of State, 2 October 1949, F.R., 1949, IX, 93-94.

[32]The Consul-General at Peiping to the Secretary of State, 8 October 1949, ibid., 112-115.

[33]The Consul-General at Peiping to the Secretary of State, 11 October 1949, ibid., 121-122.

[34]Memorandum by the Director of the Central Intelligence Agency, 21 November 1949, file 77/261D, DDRS.

[35]Buhite, Russell D. "Missed Opportunities? American Policy and the Chinese Communists, 1949" Paper delivered before the Missouri Valley History Conference, March, 1979. Scheduled for publication in Mid-America in October 1979; See also, The Consul-General at Shanghai to the Secretary of State, 10 August 1949, F.R., 1949, VIII, 478-479. (In this memorandum, the Consul-General reported that he had received information from "well informed Chinese contacts" that Mao Tse-Tung's "Leaning to One Side" speech on 1 July had resulted directly from strong Soviet pressure and that the Soviets generally had the capacity to bring pressure to bear on the Chinese Communist Party apparatus because of the pro-Soviet faction within the Party and because of powerful Soviet military forces on the Chinese border. With respect to having been forced to make the 1 July speech, Mao was reported to have been "indignant", to have "sulked", and to have been "actually sick"); More specifically with respect to the Chou En-lai demarche, see, The Consul-General at Peiping to the Secretary of State, 18 August 1949, ibid., 496-498.

(In this memorandum, Clubb reported that Michael Keon, the Austrian journalist who had initially relayed the demarche, had later talked with Chou En-lai's personal secretary who had revealed to Keon that the Soviets had placed great pressure on the Chinese Communists having learned of Chou's contact with the Americans.)

[36]See, for example, the series of dispatches in "The Embassy in China After Occupation of Nanking by Chinese Communists", F.R., 1949, VIII, 843-859; See also, Memorandum by Troy L. Perkins of the Office of Chinese Affairs, 5 November 1949, F.R., 1949, IX, 168-170; See, also, the series of dispatches, "Evacuations of Americans From China", ibid., 1356-1364.

[37]Buhite. "Missed Opportunities"; See also, Memorandum by Mr. John P. Davies, Jr. of the Policy Planning Staff to the Director of the Staff, George Kennan, 30 June 1949, F.R., 1949, VIII, 768-769; The Ambassador in China to the Secretary of State, 28 June 1949, ibid., 766-767.

[38]Smith, Dean Acheson, 122.

[39]Of the more recent volumes in this regard, see, Purifoy, Harry Truman's China Policy, McLellan, Acheson: The State Department Years; Tang Tsou's seminal work on U.S. China policy during the Truman years assumes that the Administration, despite its preferences, found itself unable to disassociate from the Nationalist Government on Formosa because of pro-Chiang Kai-shek pressure from Congress. As a result, Tang Tsou argues, the Administration faced a situation in which it was "impractical" to consider recognition of the Chinese Communists. Tang Tsou, America's Failure, 500-519.

[40]See, Steele, The American People and China, 35-36.

[41]See Dean Acheson's comments several years later in, Notes on China, 2 July 1953, Princeton Seminars, Acheson Papers, HSTL.

[42]Ibid.

[43]The Charge in the Soviet Union to the Secretary of State, 27 June 1949, F.R., 1949, VIII, 399-400.

[44]Buhite. "Missed Opportunities".

[45]The Consul-General at Peiping to the Secretary of State, 18 August 1949, in U.S. Dept. of State, Foreign Relations (Washington, D.C., 1978), VIII, 496-498; The Consul-General at Shanghai to the Secretary of State, 14 November 1949, ibid., 592; Memorandum by the Ambassador to China to the Assistant Secretary of State for Far Eastern Affairs, 28 November 1949, ibid., 612.

[46]The Consul-General at Peiping to the Secretary of State, 2 June 1949, ibid., 363.

[47]Buhite. "Missed Opportunities".

[48]The Consul-General at Shanghai to the Secretary of State, 30 June 1949, F.R., 1949, IX, 1263.

[49]Ibid., 1263.

[50]For a documentary overview of the steady increase in Chinese Communist induced restrictions on all private American activity in China in 1949 and 1950 and the consequent decline of American influence in this regard see the section on "Evacuation of Americans in China," ibid., 1210-1364.

[51]For a documentary overview of increasing Communist restrictions placed on all American Embassy and consulate activities in China in 1949 and 1950 see sections "The Embassy in China after occupation of Nanking by Chinese Communists"; "Increasing difficulties of the Consulate at Dairen due to actions of Soviet and Chinese Communist authorities"; "Problems of United States Consulates in areas occupied by the Chinese Communists," F.R., 1949, VIII, 723-1327.

[52]See, for example, The Acting Secretary of State to the Consul-General at Peiping, 14 June 1949, ibid., 384-385, 384fn.; The Secretary of State to the Consulate General at Peiping, 22 March 1950, F.R., 1950, VI, 321-322.

[53]For documentation on this episode, see, F.R., 1949, VIII, 1199-1222.

[54]For documentation on detention of the American consulate in Mukden in 1948 and 1949, see "Problems of United States Consulates in areas occupied by the Chinese Communists: Mukden Consulate General", ibid., 933-1051; For a concise "history" of the Mukden episode, see, The Acting Secretary of State to the United States Representative at the United Nations, 10 November 1949, ibid., 1007-1008; As to the nature of the impact of the Mukden situation on the issue of United States-Chinese Communist relations, see also, Notes on China, 22 and 23 July 1953, Princeton Seminars, Acheson Papers, HSTL.

[55]Memorandum by the Under Secretary of State on a meeting with the President, 14 November 1949, F.R., 1949, VIII, 1008.

[56]Memorandum by the Chairman of the Joint Chiefs of Staff to the Secretary of Defense, 18 November 1949, ibid., 1011-1013; The State Department also opposed a blockade on the grounds that it would not have any appreciable impact on the Chinese economy; it would give the communists a propaganda leverage; it could not be applied legally against the

shipping of other nations; and it would be inconsistent with the principles of the United Nations' charter. Memorandum by the Secretary of State to the President, 21 November 1949, Presidential Secretary Files, Box 173, Truman Papers, HSTL.

[57]C.I.A. Situation Report, S.R. No. 4/1949, 20 April 1949, p. 7, file 77/281B, DDRS.

[58]C.I.A. Situation Report, S.R. No. 5/1949, 17 May 1949, p. 9, file 77/281C, DDRS.

[59]The Secretary of State to Certain Diplomatic and Consular Officers, 6 May 1949, F.R., 1949, IX, 17; These general priorities of American recognition policy remained consistent through the Summer and into the Fall of 1949. Compare, for example, the above cited Acheson memorandum of early May to the remarks concerning U.S.-Chinese Communist relations - which are very similar - made by the Under Secretary of State for Far Eastern Affairs, W. Walton Butterworth, to the early October 1949 "Roundtable" State Department gathering of Far Eastern experts. Minutes of the Meetings of the Roundtable Discussions of 6, 7 & 8 October, President's Secretary Files, Box 174, Truman Papers, HSTL.

[60]For documentation on evolving Brtish attitudes on the question of recognition, see "Policy of the United States with respect to the question of recognition", ibid., 1-260; especially see, 149-260.

[61]The Secretary of State to the Consul-General at Peiping, 3 February 1949, ibid., 11.

[62]Memorandum of Conversation by Mr. Wallace W. Stuart of the Division of Chinese Affairs, 10 June 1949, ibid., p 37.

[63]The Acting Secretary of State to the Consul-General at Peiping, 14 June 1949, F.R., 1949, VIII, 384-385.

[64]Even the American Consul-General in Peiping, Edmund Clubb, who appears to have been concerned more than most to keep an eye peeled to the possibility of developing better relations with the Chinese Communists as a means to win the latter away from their Soviet connection, refused to be very sanguine about the potential inherent to the Chou En-lai demarche. Clubb thought it a "good possibility" that the Chou gesture had "high" Party sanction, that it was primarily an effort, based on a Chinese knowledge of the Soviet inability to extend sufficient assistance, to obtain aid to offset serious economic problems. He did not think it represented any intent to cut political ties with the Soviets and even speculated that the latter may have encouraged the Chinese effort to obtain American aid so as to take the pressure off scarce Russian resources. The Consul-General at Peiping to the Secretary of State, 2 June 1949, ibid., 363-364.

[65]The Charge in the Soviet Union to the Secretary of State, 27 June 1949, ibid., 400.

[66]The Charge in the Soviet Union to the Secretary of State, 19 April 1949, ibid., 249-251.

[67]The Consul-General at Peiping to the Secretary of State, 19 July 1949, ibid., 443-444.

[68]The Second Secretary of the Embassy in China to the Secretary of State, 15 November 1949, F.R., 1949, IX, 193; With respect to the question of recognition of the Chinese Communists, several years later, Dean Acheson recalled the importance of this type of assessment at the time, "...I remember various points of Yugoslav history (were) discussed in this connection - people pointing out that if we had taken any action to encourage Titoism, it would have been self-defeating...and that therefore, applying that analogy, if you took any action to try to turn Mao into Tito, it would probably be self-defeating...." Notes on China, 23 July 1953, Princeton Seminars, Acheson Papers, HSTL.

[69]Memorandum by the Director of the Policy Planning Staff, no date, early July 1949, F.R., 1949, IX, 357.

[70]Ibid., 358.

[71]Ibid., 357-358.

[72]Ibid., 358.

[73]Ibid., 358.

[74]Memorandum by Mr. John P. Davies, Jr., of the Policy Planning Staff, 24 August 1949, ibid., 536.

[75]Ibid., 536.

[76]Ibid., 537.

[77]Ibid., 537-538.

[78]Ibid., 539.

[79]For the memorandum as submitted by Dulles, see, Memorandum by Mr. John Foster Dulles, Consultant to the Secretary of State, 18 May 1950, F.R., 1950, I, 314-316; As submitted to Rusk, see, Extract From a Draft Memorandum by the Assistant Secretary of State for Far Eastern Affairs to the Secretary of State, 30 May 1950, F.R., 1950, VI, 349-351.

[80]Ibid., 349-350.

[81]Ibid., 351.

[82]Ibid., 351.

[83]Dean Acheson later recalled that, "...the question was, did the Kremlin have enough political wisdom and flexibility to handle this Chinese thing in an entirely different pattern, from the pattern on which they handled the other satellites."; "...you couldn't be sure that the Russians might not use the heavy hand and thereby create opportunities for us."; possibly even "incarcerate Mao". Notes on China, 23 July 1953, Princeton Seminars, Acheson Papers, HSTL.

[84]C.I.A. Situation Report, S.R. No. 1/50, 18 January 1950, p. 4, file 77/283A, DDRS.

[85]State Department Report, "Appraisal of the Sino-Soviet Treaty", 21 February 1950, file R/755B, DDRS.

[86]C.I.A. Situation Report, S.R. No. 1/50, 18 January 1950, p. 5, file 77/283A, DDRS.

[87]Ibid., 5.

[88]C.I.A. Situation Report, S.R. No. 2/50, 15 February 1950, p. 4, file 77/283B, DDRS.

[89]Ibid., 4.

[90]Memorandum of Conversation, by the Director of the Office of Far Eastern Affairs, 9 September 1949, F.R., 1949, IX, 77-78; See also, Memorandum of Conversation by the Director of the Office of Chinese Affairs, 8 November 1949, ibid., 185; Memorandum by the Assistant Secretary of State for Far Eastern Affairs to the Secretary of State, 5 December 1949, ibid., 214.

[91]For documentation on the views of the various European and Asian nations on question of recognition, see "Policy of the United States with respect to the question of recognition", ibid., 149-260.

[92]Memorandum by Mr. Gerald Stryker of the Office of Chinese Affairs, 2 November 1949, ibid., 157.

[93]Ibid., 157.

[94]Memorandum by Mr. Charles W. Yost of the Division of East European Affairs, 29 August 1949, file R/359E, DDRS.

[95]Report by the Committee of Three, "United States Policy in the Far East", 18 October 1949, file R/438C, DDRS.

[96]Memorandum by Raymond B. Fosdick of the Committee of Three, 25 October 1949, file R/538D, DDRS.

[97]Memorandum by Gerald Stryker of the Office of Chinese Affairs, 2 November 1949, F.R., 1949, IX, 157.

Conclusion

American policy toward China after World War II cannot be understood without reference to the effort to establish the sort of relationship with the Soviet Union that would prove satisfactory to perceived Americn interests in Aia and elsewhere in the world. In the months immediately following the war, the Truman Administration tended to define this task primarily in regional terms. Postwar problems in East Asia, officials hoped, could be resolved by mutual agreement on the basis of cooperation and negotiation between those parties with a stake in the area.

By the Winter and Spring of 1946, however, this expectation had given way to the view that the Russians generally could not be trusted on international matters and that the United States and the Soviet Union probably would not be able to cooperate in solving postwar problems. Whether rightly or wrongly, policymakers assumed that the Kremlin could be expected to take advantage of whatever opportunities might arise for furthering Russian interests and expanding Soviet power and influence. Thenceforth and until the Korean War, American China policy remained inextricably a part of the more general effort by the United States to devise ways in which to eliminate, or, at least, minimize the opportunities for Soviet aggrandizement and to develop the most effective means by which to contain the expansion of Soviet power and influence in world affairs.

With respect to this broad priority of American foreign policy in the postwar period, an important question emerges: was the Truman Administration's China policy between 1945 and 1950 a success or a failure? This is not a question which permits a simple response. Obviously, the answer will depend on the nature of the criteria by which the policy is measured. If the criteria are clear-cut and relatively one-dimensional as, for example, in the case of those who have argued that the United States should have done what was required in order to save the Nationalist Government and to keep China free of communist control, or those on the other side of the issue who have maintained that by foolishly intervening in China's Civil War the United States drove the Chinese Communists into a much closer association with the Russians than probably would have existed otherwise, then American China policy must be judged a failure. The Truman Administration neither abstained from "imperialistic meddling" in China's Civil War, nor, by its policy, prevented China's coming under communist control. But this study never intended to address directly the long-debated tactical issue of whether the United States should or should not have become involved in the Chinese Civil War or whether or not some greater American effort should have been made to save China from the communists.

Indeed, the documents reveal that after 1945 Truman Administration officials decided rather quickly that

they were not in any position to establish the sort of well-tailored goals toward China which could be expected to prove very satisfying to some more decisive measure of foreign policy. Ideally, the Administration might have preferred to avoid dealing with the internal problems of China altogether, or, if this were not possible in context of the Cold War, certainly it would have wished to save the Nationalist Government and to deny China to the Chinese Communists whose victory American officials were sure would place the Soviets in a convenient position to expand their power and influence in Southeast Asia.

But, in rejecting the option of pulling out of China because of the belief that it would have disastrous consequences for United States' interests, Administration officials also knew that in staying with the problem they would not be able to apply sufficient resources to ensure the ideal objective of saving the Nationalist regime. Notwithstanding the failure to achieve a peaceful settlement of China's internal difficulties in 1946, policymakers were convinced of the importance of continuing to assist the Nationalist Goverment in its resistance to the Chinese Communists, but always within well-defined limits -- limits imposed by a variety of interlocking considerations but essentially created by the fact that the Nation's finite resources could not be squandered in a region of the world

where American interests were not vitally involved or in an area not worth the risk of a more general war.

Thus, after the failure of the Marshall mission, China policy took on the attributes of a makeshift, if not pragmatic, approach designed to achieve what officials believed was the realistic goal of keeping Chiang Kai-shek's regime afloat for as long as possible. There was always the outside chance that Chiang and his followers would use the time given them by American assistance to carry through those civil and military reforms which decision makers thought imperative in order for the Nationalist Government to compete effectively with the Chinese Communists. Ultimately, only the Chinese could save themselves.

However, since Administration officials doubted the Kuomintang leadership were either willing or able to do what was necessary to survive over the long run, the essential American expectation in extending aid after 1946 was that it would buy time, thereby allowing emerging Cold War strategies to take hold. While hoping for the best, decision makers settled on a policy of limited assistance, not because they thought it had even a good chance of preventing an eventual Nationalist defeat, but because they believed this policy would have the most favorable impact on a series of other Cold War objectives while avoiding for as long as possible the anticipated adverse consequences of a communist victory in China. Specifically, the Administration hoped

that the tactic of continuing to aid the Nationalist Government would promote the American global-strategic advantage. The goals were to deter Soviet aggressions elsewhere by helping to create the image of American resolve in support of anti-communist resistance around the world; to bolster non-communist morale in the rest of Asia; and, at an especially critical time in the war devastated West, to demonstrate to Europeans the American determination to support friends and allies in time of need. Even after the remnant Nationalist government was forced to flee to Formosa in 1949, American policy continued to balance between over commitment and under commitment to the island regime for the purpose of serving essentially similar global-strategic priorities.

It is, of course, useful to argue that the Truman Administration made a serious error in refusing to commit sufficient American resources to the task of defeating communism on the East Asian mainland, or, from the opposite perspective, that the Administration made a serious error in continuing to intervene in China's internal affairs after 1945. However, since policymakers were convinced that it would prove highly detrimental to American interests to follow either of these two courses of action, it would appear to be more useful to criticize China policy from 1945 to 1950 on the Administration's own terms. On this level of assessment the essential questions are: Did Administration

China policy succeed or fail in its intended purpose to advance other American foreign policy objectives in the developing global confrontation with the Soviet Union? Was China policy correct in its underlying assumption that the best way to ensure the American advantage in the global competition with the Soviet Union was to follow a course of "restrained intervention" in China?

These are not questions which the present study can answer definitively. But they cannot be ignored either because the nature of the Truman Administration's involvement in China established the general pattern for a continuing American involvement on the East and Southeast Asian mainland which would last until the early 1970's and would include a United States participation in two Asian wars.

Available documents indicate that the same essential assumptions that carried the Truman Administration into China after 1945 continued to prompt American interventions on the Asian mainland after 1950. These involvements, especially as manifested in the military efforts in Korea and Vietnam, rested on the belief that the United States would need to sustain a presence in the region because the process of maintaining world peace, or avoiding world war, was an "indivisible" one; that what happened in Asia, depending on the nature of developments there, would have either a favorable or adverse effect on continuing efforts elsewhere to neutralize and moderate the aggressive ambitions of Soviet

foreign policy. And yet, commensurate with the precedent set by the Truman Administration in China, later policy toward East and Southeast Asia also would include the parallel idea that there were limits beyond which United States commitments could not go for fear that too extensive an involvement would have unacceptable consequences for other more important foreign policy interests.

Under these circumstances, it is no accident that American intrusions into Asian affairs since World War II have created more domestic public controversy than any other area of United States foreign policy. The limited commitments in China, Korea and Vietnam have not proven compatible with many of the nation's values. For one thing, it may be argued that the nature of these involvements have run diametrically counter to strongly ingrained cultural beliefs concerning the process of problem solving. It has been difficult for many Americans to accept policies not aiming directly toward the goal of "victory".

Eric Goldman has written that,

> "We are a people whose history has made us the land of the swift, total solution, brought about by ourselves alone. We faced a wilderness; we hacked it down. We were vexed by slavery; we cut it from our system. We fought Britishers, Mexicans, Spaniards, Germans, Germans plus Japanese and licked them all in short shrift."

Consequently, Goldman suggested, Americans were inclined to believe in the "quick, total solution" of <u>all</u> international

problems. They also tended to perceive the world through their on politico-economic experience, assuming it almost a "law of history" that the course of human development had been a "long slow swing toward a world consisting entirely of middle-class democracies." From time to time, "trouble" occured when an "evil leader" forced some country "along a road forbidden by the law of history". The American solution followed from the perception of the problem. "If the natural swing of the world was toward peaceful, democratic middle-class ways," Goldman concluded, "how could foreign policy be a problem requiring anything except the occasional surgical removal of an unnatural growth?"

After three and a half decades of sustained United States global involvement and responsibility Americans may understand better that definite limits often do exist on the nation's capacity to influence profoundly complicated trends in international affairs and that patience may be one of the most effective diplomatic techniques that a global power will possess in its relations with a culturally various world. But, if public opinion came rather slowly to this realization, policymakers understood it well as early as 1945; and policy toward East Asia reflects this fact. As a result, there were bound to be domestic repercussions when officials were so far ahead of their public.

Involvement in Asia created additional problems because the overwhelming majority of Americans, until fairly

recently, have had only minimal social, intellectual, philosophical, religious and racial affiliations with that part of the world. What is more, the United States historically has had relatively few tangible material interests in the region. With the exception of off-shore insular involvements, American economic ties to East and Southeast Asia have been slight. It is significant to note that even toward Europe where all of these cultural and economic associations have been present and reciprocal, Americans have historically questioned, even in critical situations, the extent to which it actually was in the national interest for the United States to become politically involved. It is small wonder then that, in a region of the world where extensive and concrete interests did not seem to exist, the nature and objectives of the Nation's commitments since World War II have not appeared altogether appropriate to most Americans.

Because the policy objectives in the region have been largely psychological in nature, that is to say concerned largely with creating an image of American initiative and effectiveness in international affairs, government officials over the years have been reticent to share candidly with the public the reasoning behind their decisions for fear that a public discussion of the issues involved would negate the political-strategic goals of the particular commitment. When conjoined with the seemingly inconclusive

results of those commitments, such secrecy, however necessary, has done a great deal to erode further the public's confidence in the wisdom of their leaders on these matters. Thus, for this reason alone it would be well to ask whether the sort of limted involvements--"restrained inverventions" --on the Asian mainland which have characterized American policy toward the Far Eas since World War II have had a demonstrably favorable or unfavorable impact on United States interests elsewhere in the world. The answer, this study argues, not only must be founded on a clear understanding of the objectives which policymakers sought to achieve, but must begin with a careful assessment of the Truman Administration's policy toward China after 1945.

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