AMERICA'S SEARCH FOR A CHINA POLICY, 1943-1950

THESIS

Presented to the Graduate Council of the North Texas State College in Partial Fulfillment of the Requirements

For the Degree of

MASTER OF ARTS

By

Numan Bartley, B. S.

Denton, Texas
August, 1961
Much controversy has surrounded recent American policy toward China. Books of various stripes—distortions, misrepresentations, emotional accounts, and purportedly scholarly studies—have dealt with the formulation of a China policy. Several of the objective studies have featured the role that politics played in reducing American freedom of action. The emphasis has been that, since American diplomatic strategy during the decade of the 1940's was a Democratic responsibility, Republican critics took political advantage of the China "tangle." As congressional criticism mounted, the framework within which the Truman Administration could evolve a policy was increasingly restricted. With the Communist victory in China and the subsequent Korean War, Democratic strategy had apparently backfired. The public became aroused, and policy makers have since had difficulty adjusting to realities.

While largely valid, this explanation has definite limitations. A neglected approach provides important clues to an understanding of the evolution of an American China policy. Within the Administrations of both Franklin Roosevelt and Harry Truman were internal schisms that
greatly handicapped positive action. On one side, the American military preferred forceful action to ensure the triumph of a pro-American government in China. The Communist Chinese were instruments of Russian imperialism, and their success would prejudice American interests in Asia. The Far Eastern experts in the State Department were equally vigorous in urging a flexible policy, insisting that the United States should above all avoid opposing the forces of Asian nationalism. Even within the State Department, there was conflict, since the Russian specialists, apprehensive over Soviet expansion into Asia, were sympathetic to the Pentagon view. The whole course of American policy formulation was eroded by this undercurrent of bickering and dissension.

Tradition complicated the attempt to evolve a workable Far Eastern policy. In the past, the United States had posed as China's protector, striving to prevent that nation from being carved up by the European powers and to protect American economic interests there. Over the years, the United States public had developed a peculiar "ownership" of China, a land to be christianized and westernized. During World War II, Roosevelt naturally looked to China to fill the power vacuum vacated by Japan. By sponsoring China's membership in the "Big Four," he contributed to the public image of China as a great power.
China lacked both the military and political strength to fill the role. To bolster the sagging Chinese military effort and to prepare the nation for its post-war responsibilities, the United States attempted to resolve the internal quarrel between the Nationalists and the Communists. General Patrick Hurley, chosen as the President's personal representative, proceeded to China to bring the antagonists together. After soliciting Russian support, Hurley encouraged the Chinese "rebels" to submit to Nationalist control. His pro-Chiang Kai-shek policies brought him into bitter opposition with General Joseph Stilwell and the diplomatic officials in China. Hurley's critics, correctly predicting an eventual Communist victory, felt that American accord with the Red Chinese would lure them away from Russian domination. The Hurley Mission drew the lines for the long period of conflict within the American Government. Generally, the military departments accepted the general's evaluation of the China problem, while the State Department Far Eastern Division favored the course of action recommended by the diplomats in China.

Following Hurley's resignation in late 1945, General George Marshall was dispatched to mediate an end to China's civil war. Although Marshall tried to be neutral in his negotiations, his position was compromised somewhat by continued American support for the Nationalists, support
that had been recommended by Hurley and General Albert Wedemeyer. Marshall's abortive efforts to effect a coalition government accentuated the Nationalist-Communist rivalry. Later, as Secretary of State, he worked to disentangle the United States from the internal affairs of China, a policy continued by Dean Acheson.

The hopes of Marshall and Acheson were soon frustrated. Military leaders, particularly Secretary of Defense James Forrestal, fought for military and economic assistance to Chiang. Amid conflicting recommendations, Truman, who was consistently hesitant and indecisive in matters regarding China, accepted compromise solutions between the State and Defense Departments. Furthermore, the Administration's "Europe First" strategy forced compromises in Asia to win Republican support for European policy.

Not until January, 1950, did Communist victory in China necessitate Truman's decision to abandon Chiang in favor of an eventual recognition of the new Chinese Government. Formosa was expected to come under Communist rule. Instead came the Korean War, and, to localize the fighting—to leash Chiang—Truman interposed the Pacific Fleet between Nationalist Formosa and Communist China. The later intervention of Red Chinese "volunteers," coupled with the Republican victory at the polls in 1952, reunited the United States with the Nationalists. During the decade
of the 1950's this "marriage of convenience" remained intact, invulnerable to rational assaults or international developments. While not definitive, this study has shed light on some factors that contributed to this predicament.
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Chapter</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>I.</td>
<td>THE BACKGROUND: WAR AND CONFUSION</td>
<td>1</td>
</tr>
<tr>
<td>II.</td>
<td>PHASE ONE: THE HURLEY MISSION</td>
<td>17</td>
</tr>
<tr>
<td>III.</td>
<td>PHASE TWO: THE MARSHALL MISSION</td>
<td>35</td>
</tr>
<tr>
<td>IV.</td>
<td>PHASE THREE: WITHDRAWAL</td>
<td>48</td>
</tr>
<tr>
<td>V.</td>
<td>PHASE FOUR: THE RETURN TO AID</td>
<td>61</td>
</tr>
<tr>
<td>VI.</td>
<td>PHASE FIVE: ABANDONMENT AND FAILURE</td>
<td>75</td>
</tr>
<tr>
<td></td>
<td>BIBLIOGRAPHY</td>
<td>90</td>
</tr>
</tbody>
</table>
CHAPTER I

THE BACKGROUND: WAR AND CONFUSION

With its entry into World War II in December, 1941, the United States inherited a conglomeration of diplomatic problems, along with discordant allies. Among America's new partners, China had been fighting longest and presented some of the most formidable foreign policy enigmas. Throughout the war and the post-war years, American planners searched unsuccessfully for a workable policy toward China.

Many of the difficulties evolved from the complex Chinese internal situation. Exhausted and divided, China was hardly a nation at all. The Japanese had overrun the northeastern part of the country and had established a puppet government over the areas occupied by the Imperial armies. Opposing the Japanese and their puppet allies were the Nationalist Government, the Communists, and various semi-independent war lords. While the armies of unoccupied China were loosely coordinated through the National Military Council, there were no long-range plans for the conduct of the war against Japan. The war effort in China was closely intertwined with domestic politics. Except for the
Communist-controlled regions in the northwest, the country was divided into war areas, each generally conforming to ancient Chinese provinces. The area commander was the governor of the province. This arrangement made it impossible for Japan to strike a decisive military blow against China, but, as each governor was semi-independent, it prevented coordinated war planning. What cooperation there was between war areas was due to the political adroitness of Chiang Kai-shek and his Kuomintang Party, which controlled the Nationalist Government. As head of the recognized government of China, Chiang gained a certain amount of power through his control of the distribution of war supplies. His real strength, however, was the personal loyalty of the war lord area commanders. Thus, in China, personal deference to Chiang and not ability was the key to promotion, as well as the central thread of unity in the nation.

When the United States entered the war, Chinese leaders correctly predicted that Japan would be defeated. Despite American attempts to rejuvenate the war effort, the Chinese were reluctant, as their paramount concern was which political faction would emerge strongest from the war and reap the rewards of victory. The beneficiary would apparently be the Kuomintang, which controlled the most territory and commanded the largest armies. Representing the biggest threat to Chiang's hegemony were the Communists, who
possessed superior leadership and morale. The chief war aim of each side was to gain advantages over the other. Communist leaders worked to expand their influence by organizing guerrilla units, chiefly behind Japanese lines. Chiang employed the bulk of the actual Kuomintang divisions to blockade the Communists, while utilizing most of the remaining Kuomintang forces to watch over independent-minded war lords. In a nation where political power and military power were synonymous and where all armies were ill equipped, military supplies had tremendous value. Early in the war, Japan had cut the Burma Road, leaving the long flight over the Himalayan Mountains from India as China's only supply route. Furthermore, China occupied a low place on the priority list for American aid. Thus, no Chinese commander wished to risk precious equipment by fighting the Japanese.¹

As the war progressed, China's difficulties mounted. At first the United States tended to regard China as a great power, requiring only arms to achieve victories. The

inaction of the Chinese armies coupled with America's successful "island hopping" strategy in the Pacific suggested that the war could be won without China. When Joseph Stalin committed Russia to the Asian war, China's stock fell even further. Simultaneously with the decline in its international prestige, China's internal situation approached its nadir. Inflation was rampant; corruption abounded; and more and more of China's masses turned to the Communists for honest government, land reform, or simply out of disgust with the Nationalists.

The original policy followed by the American Government was to enhance the prestige of its major Asian ally. This approach, championed by President Franklin Roosevelt, who had great regard for China and the Chinese people, and Presidential Advisor Harry Hopkins, who was an ardent supporter of Chiang and the Nationalist Government, was accepted by Secretary of State Cordell Hull. In a nationwide speech in April, 1942, Roosevelt predicted that the future would find an "unconquerable China" exercising its influence "not only in eastern Asia but in the whole world."

---


3 Presidential Address, April 28, 1942, State Department Bulletin, May 2, 1942, VI, 382.
Shortly afterward, the United States negotiated an end to its extraterritorial rights in China. At the Moscow Foreign Ministers meeting in October, 1943, despite British and Russian objections, the Hull-sponsored Four Power Declaration was accepted, and, at Teheran, Roosevelt included China as one of the "Four Policemen" for preserving post-war peace.

Even when it became obvious that China was not a great power, the policy still had merit. A major threat to post-war peace was a civil war in China, in which the Soviet Union and the West might become embroiled. Russian acceptance of China as a great power could lessen the danger of foreign intervention.

In succeeding months, official sentiment shifted away from the Kuomintang, primarily as a result of the reports of United States officials in China. The most influential

---


5The Four Power Declaration called for the establishment of an international organization open to all nations. Winston S. Churchill, Closing the Ring (Boston, 1951), Vol. V of The Second World War, p. 298.

6Ibid., p. 363.

American in China was General Joseph Stilwell, commander of United States forces and chief of staff to Chiang Kai-shek. Stilwell, who spoke Chinese and had wide experience in the country, was a personal friend of Army Chief of Staff George Marshall, was a favorite of Secretary of War Henry Stimson, and had the out-spoken support of Navy Chief of Staff Ernest King. Expressly to revive the Chinese war effort, Stilwell set out to train and equip thirty Chinese divisions. Chiang's suspicions of any effective rival fighting force coincided with the prevailing "stand pat" attitude of the Kuomintang to make the Nationalists hesitant to cooperate. The personal animosity that quickly developed between Chiang and the American general further handicapped progress. From the beginning Stilwell insisted that the only way to attain Chinese cooperation was to threaten an end to lend-lease supplies. Growing steadily more disgusted with Kuomintang leadership, Stilwell turned to the Communists as the only hope for a real Chinese military effort. Stilwell fought to get American observers into the Communist area and was the first to propose to Chiang that Communist forces receive a proper share of lend-lease and be utilized in war strategy.

---

8 King, pp. 436, 541.
In the United States, the Army high command and the War Department reflected Stilwell's views—a reformed Chinese army and utilization of the Chinese Communists.10 This thinking was tempered, however, by China's low place in army strategy. Both Generals Marshall and Douglas MacArthur, Army commander in the Pacific, counted on Russian troops to counter Japanese power on the mainland, and both felt that an actual American invasion of the Japanese home islands would be necessary for victory.11 Any Chinese contributions would be incidental to this basic strategy.

Naval planning was based on an entirely different strategic concept. King, William Leahy, head of the Joint Chiefs of Staff, and Chester Nimitz, commander of Naval forces in the Pacific, considered Chinese manpower to be the key to victory over Japan just as Russian manpower was decisive in Europe. Naval strategy envisioned a direct communications link with China. Chinese forces, supplied by sea with American equipment, could defeat Japan without Russian assistance or without an invasion of the home islands.12


Naval leaders, therefore, were favorable to any actions that would improve China's position. Although the Army-Navy strategic conflict had been resolved when Roosevelt ruled in favor of the Army and authorized an invasion of the Philippines, China continued to occupy a special place in Naval thinking.13

The Naval attitude toward the Communist-Kuomintang feud was somewhat paradoxical. Stilwell's influence had alerted the Navy that the Communists probably would be more capable of mobilizing China's manpower than the Nationalists.14 On the other hand, the Navy, assuming that Russia was not needed in the Pacific War, was more conscious of the threat of Russian imperialism in Asia. Naval fears were reinforced by the views of Commodore M. E. Miles, head of Naval Intelligence in China. Working closely with the Kuomintang secret police, Miles often disagreed with the policies advocated by Stilwell.15

During the early years of the war, Chiang Kai-shek found his most avid supporter in General Claire Chennault, commander of the Fourteenth Air Force in China. Victory in China, he thought, could be achieved through air power

---

13King, p. 537.
with a minimum of ground activity. This plan coinciding conveniently with Chiang's hopes of conserving strength for the future political settlement, competed directly with Stilwell's visions of large Chinese ground forces.  

Although Chennault undoubtedly had supporters, Air Force Chief of Staff H. H. Arnold and the High Command placed no great faith in Chennault's political recommendations. While the strategic value of China as a base for bombing Japan was recognized, the capture of the Marianas in 1944 generally satisfied Air Force requirements.

The State Department relied on two direct sources of information from China--the American Embassy and consular network and, most important, the reports of four political advisors attached to Stilwell's staff. All four men were career foreign service officers, and three--John Davies, John Service, and Raymond Ludden--were experts on China and spoke the language. Having few regular administrative tasks, the foreign service officers had excellent opportunities

---

16 Eventually, Chennault became disillusioned with the Kuomintang after the Japanese overran the American airfields in late 1944. Romanus and Suderland, Stilwell's Command Problems, p. 412. Feis, p. 181.


18 The fourth, John Emerson, was a Japanese expert and did little reporting. All four men arrived in China during 1942.
to travel in China and to study the internal situation. On January 23, 1943, Service, just back from a lengthy tour of Sinkiang province, drew up a penetrating analysis of the situation in China. He correctly predicted that civil war in China would follow victory over Japan, that the Communists might likely win such a war, and that the United States should send observers into Communist controlled areas to gather first-hand knowledge of the movement.¹⁹

During the following months, Service and Davies kept up a steady stream of reports and recommendations, which were widely circulated and commented upon in Washington.²⁰

Several fundamental themes were consistently expressed in these reports. There was an anti-Kuomintang overtone, in that they stressed corruption, inefficiency, and lack of popular support when discussing Chiang's government. Conversely, they stressed the strength and popularity of the Chinese Communists. While pointing out that the Chinese Communists were Marxists and voicing fear and concern over Russian influence in China, the two officers stated that the

---


²⁰Ibid.
Chinese Communists were strongly nationalistic and would probably chart their own destiny unless forced into the arms of Russia. The reports emphasized the dangers that would accrue should the United States be maneuvered into opposing the forces of Asian nationalism. Calling for a complete re-examination of American policy toward China, Service and Davies recommended that the Kuomintang be pressured for political and economic reform or be abandoned; that close working relations be established with the Communists; and, to head off the impending civil war, that encouragement be given the creation of a coalition government "in which the Communists find a satisfactory place." 21 If coalition government failed, the United States would have to develop a policy toward the two warring factions with the knowledge that "power in China is on the verge of shifting from Chiang to the Communists." 22

The observations of Stilwell's political advisors were accepted and seconded by the American Embassy staff at Chungking. Thoroughly disillusioned with the Kuomintang,


22 Ibid. The gist of these reports can be found in Annex 47, pp. 564-576, of the China White Paper. For complete texts of key reports, see Hearings on the Institute of Pacific Relations, Part III, and State Department Loyalty Investigation, Vol. II.
Ambassador Clarence Gauss felt that "we should pull up the plug and let the whole Chinese Government go down the drain." Gauss and Counselor George Atcheson favored, as the most plausible course, the formation of a coalition government in China.  

In Washington, the State Department Far Eastern experts accepted this evaluation. The State Department, however, was much more cautious. While doubting the Kuomintang's ability to lead the "New China," diplomatic officials were fully aware that the United States had spent two years building that image. An abandonment of the Kuomintang Government would thus have to be done subtly. Furthermore, the State Department saw no immediate alternative to Chiang, apparently the only unifying personality in the nation. Readily recognizing the advantages of a political settlement, the State Department favored pressuring the Nationalist Government to implement reforms and to make concessions toward the establishment of a coalition government. The State Department also thought it desirable to obtain Russian backing for the plan.

---

25 The key man in the formulation of a China policy by the State Department was John Carter Vincent, who was first the head of the Chinese Affairs Division and, after September, 1945, the Director of the Office of Far Eastern Affairs.
By late 1943, the stage was set for the shift in American policy away from the Kuomintang toward a coalition government. The United States military wanted a unified Chinese war effort; the State Department wanted a political settlement with a truly national unified government. Even Roosevelt had grown disillusioned with the Nationalists and was ready to apply pressure to make Chiang amenable.26

The climax of the policy shift was the Wallace Mission to China. Vice President Henry Wallace, accompanied by Far Eastern Expert John Carter Vincent, pressed Chiang to invite American cooperation and assistance in working out a political settlement with the Communists. The American representatives further urged the Kuomintang leader to seek better relations with Russia. In the end Chiang accepted both conditions and invited United States mediation in China's internal quarrel and aid in improving Sino-Russian relations.27 On his return from China, Wallace reported that "Chiang, at best, is a short-term investment."


26 Welles, pp. 151-152. Romanus and Suderland, Stilwell's Command Problems, p. 322.


The Wallace Mission laid the groundwork for a political settlement of China's internal differences. Before plans could be put into effect, however, military events intervened. In April, 1944, the United States obtained Chiang's consent to employ the bulk of his American trained troops in an Allied assault on Burma. Shortly afterward, in May, Japan launched a large-scale offensive in southern China. Aimed at capturing the American air bases and establishing land communications with Indo-China, the Japanese advance was virtually unopposed and made rapid headway, threatening Kunming and Chunking itself.29 In the United States, the Joint Chiefs of Staff considered the situation to be desperate. Accepting their advice, Roosevelt informed Chiang of his concern and recommended that all Chinese forces, the Communists included, be placed under Stilwell's command to meet the crisis. Chiang agreed to the President's request in principle, but asked that a personal representative of the President be sent to China to coordinate matters between himself and Stilwell.30 While Stilwell and the War Department were laying plans for supplying and training


30 Romanus and Suderland, Stilwell's Command Problems, pp. 381-386.
Communist forces under American leadership, Chiang announced that he was redeploying the majority of his forces from Burma to the China front. As such a withdrawal would wreck the long-planned recapture of Burma, on September 16, 1944, Roosevelt answered with a quasi-ultimatum stating his objection to the withdrawal. Stilwell took great pleasure in personally delivering the President's message, but six days later Chiang demanded that Stilwell be recalled. Over the objections of the Army, which wanted a showdown with Chiang over the Stilwell issue, Roosevelt acquiesced. Stilwell was recalled, and the American offer to command all forces in China was withdrawn.\textsuperscript{31} In October General Albert Wedemeyer arrived in China to command United States forces engaged in training Chinese troops and to act as Chiang's advisor. In the meantime, General Patrick Hurley had arrived in China as Roosevelt's personal representative to Chiang. Thus, on the eve of the American policy shift, there was a major turn-over in personnel which had significant consequences.

The American attempt to achieve great power status for China had met with very limited success, and by mid-1944 official thinking had coalesced behind a different policy.

Generally, Americans most familiar with the internal forces at work in China considered the socialist movement to be nationally oriented and recommended rapport with the Communists; Americans least aware of these forces were inclined to underrate Communist strength or view the movement as an instrument of Russian imperialism and favored the pro-American Kuomintang. Official planning in the United States was also influenced by the relative importance attached to China in the war effort against Japan. Since few Americans possessed detailed knowledge of the situation, however, the observations and recommendations of individuals assigned to duty in China carried particular weight. Stilwell, Gauss and the Embassy staff, and the foreign service officers all agreed that the United States should try to heal the Communist-Kuomintang schism by mediating a political settlement.
CHAPTER II

PHASE ONE: THE HURLEY MISSION

General Hurley was selected as the President's representative against a background of military crisis. With the Kuomintang facing military disaster and potential collapse, military considerations were paramount in the selection of Hurley, a choice probably urged by Hopkins.¹ A military man who was pro-Chiang, Hurley seemed an ideal intermediary for Chiang and Stilwell. His task was to keep China in the war, to consolidate the Chinese war effort under the Nationalists, and to unify command under Stilwell.² Hurley had hardly begun when Stilwell was recalled. Immediately afterwards, Ambassador Gauss resigned, and Hurley was tendered the Ambassadorship. At first, he declined, but accepted in November, 1944, at the personal request of Roosevelt.³ Under the circumstances, Hurley's appointment was logical. The general was on the scene and had already begun work; his views were in harmony with those

²Lohbeck, p. 280. Stilwell, p. 325.
³Lohbeck, p. 309.
of Roosevelt; and, before leaving Washington, he had discussed the China situation with Vincent, who disagreed only with Hurley's support for Chiang. Unfortunately, however, Hurley was gruff, outspoken, and thoroughly contemptuous of the State Department. Although he supported Chiang, he felt also that "the Chinese Communists are not Communists at all--they are only New Dealers."

Hurley's original instructions were formalized in a directive, probably drawn up by the White House. His tasks included preventing the collapse of the Nationalists and sustaining Chiang Kai-shek as head of the government, promoting the production of war supplies and preventing the collapse of the economy, and consolidation of the Chinese armies and helping China create a unified government. Since Roosevelt considered Soviet support--or at least Russian acquiescence--necessary to the success of American plans, Hurley had gone to China via Moscow. There Foreign Vyacheslav Molotov reassured him that the Chinese Communists were not real Communists and the Soviet Union welcomed

5Lohbeck, p. 278.
7Lohbeck, p. 310.
8Welles, p. 152.
American interest in China's troubled internal situation.  

Hurley encountered many difficulties in his efforts to unify China. In the first place, he became increasingly dedicated to the interests of the Chiang government. His pro-Kuomintang attitude undoubtedly convinced Chiang that the United States did not expect the Nationalists to make any great concessions to the Communists. As Hurley's views shifted further to the right, his differences with State Department personnel in China became acute. Soon Hurley's relations with the professional diplomats had deteriorated to such an extent that he employed an army stenographer to aid him in preparing dispatches to Washington because he refused to share his ideas with the Embassy staff. Against this backdrop Hurley pursued his mediation efforts, visiting the Communist capital city of Yenan in November to discuss the situation. During the first weeks of work, he accomplished little.

While Hurley labored with the political situation, Wedemeyer set out to improve the military picture. Wedemeyer

---

12Ibid.
differed markedly from Stilwell. The new American commander was anti-Communist, having little confidence in Communist fighting ability and considering them to be Moscow controlled. He was highly impressed by Chiang and had considerable confidence in Nationalist fighting strength, believing that Chiang "was militarily strong enough to cope with the Communists..."\textsuperscript{13} Wedemeyer placed little faith in the foreign service officers attached to his staff and eventually called in Ivan Yeaton, reputedly an expert on Soviet Communism, to head the American observer mission in Communist China.\textsuperscript{14}

Immediately upon his arrival in China, Wedemeyer began to train and equip thirty-nine Chinese divisions to halt the Japanese offensive, which was still sweeping through southern China. Working around a nucleus of troops that had been trained by Stilwell, Wedemeyer made gradual progress. The contingent was never used to stop the Japanese, however,


\textsuperscript{14}Wedemeyer, p. 285.
since American victories in the Pacific forced Japan to halt the advance in December, 1944, and, in the spring, the Japanese began to withdraw.15

The Far Eastern experts in Washington were becoming increasingly disgusted with Hurley's actions in China. Vincent preferred a policy sufficiently flexible to allow freedom of action in case the Kuomintang government collapsed. Vincent and his backers wanted the United States, instead of supporting Chiang as Hurley was doing, to encourage Kuomintang concessions to the Communists.16 State Department officials in China shared similar though more extreme views, best epitomized in a report by Service and Ludden in early February. Recently returned from a lengthy trip to the Communist area, Service and Ludden said that "we should be convinced by this time that the effort to solve the Kuomintang-Communist differences by diplomatic means has failed..."17 The United States, therefore, should initiate a program of direct aid to the Communists.18


18 Ibid.; see also, Report by Davies, December 12, 1944, ibid., pp. 574-575.
The Service-Ludden recommendations were passed on by Acting Secretary of State Joseph Grew to the White House with favorable comments. ¹⁹

The issue was brought to a head shortly afterward, when Hurley and Wedemeyer returned to Washington for consultation. Shortly after Hurley's departure from China, the Embassy staff wired Washington recommending direct aid to the Communists, with or without Chiang's agreement. Chiang should make concessions to form a coalition government, and he should be informed that "in case of his refusal to accept it the U. S. would take . . . the logical, much more drastic step of a public expression of policy such as that which was made by Churchill with reference to Yugoslavia." ²⁰ The showdown came in early March, when Hurley discussed the Embassy recommendations with Vincent and the China experts. The Ambassador alleged that his staff was disloyal, while the State Department officers defended the merits of the proposals. ²¹ Hurley emerged victorious, however, as Roosevelt decided in his favor.

Roosevelt's decision that the United States would mediate from a pro-Chiang point of view was made shortly

---

¹⁹ Feis, p. 271.

²⁰ Atcheson to State Department, February 28, 1945, cited in Lohbeck, p. 381. See Hurley's testimony on the subject, Military Situation in the Far East, p. 2905.

after his supposed master stroke at Yalta. There Roosevelt had won Russian support for the Nationalist Government and Soviet agreement to sign a treaty of alliance with China, as well as a definite commitment to enter the Pacific war. In exchange Russia had received concessions in Manchuria and Outer Mongolia. Assuming that the Chinese Communists were under Russian influence, Roosevelt expected the Yalta agreement to bring the Communists into a unified government headed by Chiang. To have abandoned Chiang at this time would have destroyed the entire White House policy. Thus, Roosevelt instructed Hurley to work toward the unification of the Chinese government and the Chinese armed forces, in the process supporting "the National Government of China under the leadership of Chiang Kai-shek." 

Harry Truman inherited Roosevelt's policy and generally continued it during his first months in office. In May, Truman sent Hopkins to Moscow for talks with Stalin. During the conversations, Stalin agreed to implement the Yalta Agreement, stating that Russia was prepared to conclude a treaty with the Nationalist Government. Once again, Stalin

---

22 Yalta Agreement, February 11, 1945, China White Paper, pp. 113-114.
23 Leahy, p. 287.
welcomed American leadership in solving China's internal difficulties. Chinese Foreign Minister T. V. Soong arrived in Moscow shortly afterwards to negotiate the treaty. The United States was kept informed of negotiations and, when Russia made excessive demands for concessions in Manchuria, interceded on behalf of the Chinese. The final treaty was compatible with the agreement at Yalta. Both nations agreed to respect the territorial integrity and the sovereignty of the other, and both agreed not to interfere in the other's internal affairs. In an exchange of notes accompanying the treaty, Russia agreed to provide "moral support and aid in military supplies and other material resources" to the Nationalist Government. Thus Roosevelt's fears about Soviet-American conflict in China apparently were resolved.

In the meantime, after receiving Roosevelt's support, Hurley demanded and obtained a thorough house cleaning of State Department officials in China. Most of the Chungking Embassy staff was reassigned, and the foreign service officers attached to Wedemeyer's staff were disbanded. Already, the pro-Communist military officers under Wedemeyer had been

---

26 Ibid., pp. 116-118.
28 Feis, pp. 271-272.
transferred after two of them had incurred Hurley's wrath because of their dealings with the Communist military. 29

Hurley returned to Chungking in April, 1945, passing through London and Moscow, where again Stalin and Molotov assured him that Russia had no intention of supporting the Chinese Communists. 30 Back in China, Hurley earnestly set out to negotiate a coalition government. In July, 1945, Chiang established a seven-man committee for discussions with the Communists, and by October, 1945, the two sides had reached a partial agreement. The fundamental issues of local political control in Communist areas and military strength of the Communists in the national army, however, remained unresolved. 31

While Hurley mediated in China, his pro-Chiang policies were gaining increasing numbers of adherents in Washington, particularly within the military establishment. With

29 General Robert McClure and Colonel David Barrett had been in contact with Communist leaders and hoped to use and supply Communists troops. Just how far the two officers and their followers had gone in their dealings with the Communists is subject to question. Hurley felt that they were undermining his whole policy, while Wedemeyer maintained that they were only sounding out the Communists to acquire information for future planning. Hurley's side of the episode is given in Lohbeck, pp. 335-338, and Wedemeyer's account in Wedemeyer, pp. 305-315.

30 Statement by Harriman, July 13, 1951, Military Situation in the Far East, pp. 3328-3342.

victory over the Axis powers in sight, the military was becoming more conscious of Russian power. Wedemeyer and Commodore Miles had accompanied Hurley to Washington, and the three men had discussed the China situation with the Joint Chiefs of Staff. All three "were of the opinion that the rebellion in China could be put down by comparatively small assistance to Chiang's central government." At a State-War-Navy Conference in May, 1945, Secretary of the Navy James Forrestal called for a study of American objectives relative to Russian influence in the Far East. In July, Army Intelligence completed a study of "The Chinese Communist Movement" which warned of the dangers of Russian power filling the Asian vacuum left by the defeat of Japan and cautioned against the establishment of a coalition government of autonomous areas, which would open the door to Russian domination of the Communist region. Also in July, the Joint Chiefs of Staff made plans for flying Nationalist armies into the sections of China held by Japan to aid the Kuomintang government in garrisoning occupied areas ahead of the Communists.

---

32 Leahy, p. 337.
33 The Forrestal Diaries, pp. 52-53.
While military leaders lined up behind the Nationalist Government, they found strong allies in the Russian experts in the State Department. In April George Kennan's views warning against relying on Russian cooperation in China were forwarded to Truman. Despite Stalin's statements to Hurley, Kennan stated, "words have a different meaning to the Russians."36 Ambassador W. Averell Harriman preferred not to support the Communists, suggesting that they would betray the United States when ordered by Russia.37

The Far Eastern experts, however, remained adamant in their opposition to a "hard line" approach to China. Evidently, a popular conversation piece with Vincent and his associates was how to get rid of Hurley.36 On April 26, 1945, the Department sent to Truman a report on America's China policy, one paragraph of which read:

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

36 Hynnes to Truman, April 23, 1945, cited in Truman, Year of Decisions, p. 84.
38 State Department Loyalty Investigation, pp. 1269, 1751.
purpose to maintain a degree of flexibility to permit cooperation with any other leadership in China which may give greater promise of achievement of unity and contributing to peace and security in east Asia.39

Events moved rapidly after Japanese peace overtures in August, 1945, as Truman and Byrnes were inundated with conflicting recommendations. Reports from Hurley and Wedemeyer recommended support for the Nationalists. From the military establishment came plans and advice for strong action. From the State Department's Russian experts came dire warnings of Russian-Communist expansion into Asia. The Far Eastern experts advised that the United States should maintain a free hand and, above all, should not be maneuvered into opposing the forces of nationalism in China. Truman and Byrnes tried to steer a middle course, but the developing situation in China required immediate attention.

When Japan surrendered, the Imperial armies controlled the key areas of China. In the northern and rural part of central China, however, the Communists were entrenched behind the Japanese lines. Thus, the Communists were in a much better position to profit from the collapse of Japanese power than were the Nationalists. With Communist General Chu Teh's announcement that Communist armies would accept the surrender of Japanese forces, the dangers became obvious. Not only would the Communists win control of the strategic areas of

39Byrnes to Truman, April 26, 1945, cited in Truman, Year of Decisions, pp. 102-103.
China, but they would gain possession of vast quantities of Japanese military equipment. Hurley pointed out to Truman the dangers, recommending that the terms with Japan prohibit Japanese commanders in China from surrendering to Communist troops. Wedemeyer made a similar recommendation to the Joint Chiefs of Staff. The War Department, aware of the dangerous situation, had already drafted General Order Number One, which would require Japanese forces in China proper to surrender only to the Nationalists and in Manchuria only to the Soviets. Thus, the Imperial armies would hold off the Communists until Nationalist forces arrived to take over.

On August 11, the War Department presented its plan to the State Department, and the matter was taken up by the State-War-Navy Coordinating Committee. Unable to reach definite agreement during two days of discussion, the Committee finally accepted it following approval by the Joint Chiefs of Staff. President Truman added the final stamp of approval, and on

---

40 Ibid., pp. 434-435.

41 Hearings before the Committee on Foreign Affairs, House of Representatives, 81st Congress, 1st Session, on H. R. 5330 (Korean Aid) (Washington, 1949), p. 41; hereafter cited Hearings on Korean Aid.

42 Ibid., p. 118.

43 Truman, Year of Decisions, p. 435.
September 2, MacArthur formally issued General Order Number One through Imperial Headquarters.\footnote{44}

The question of military aid to China also required an immediate decision. The United States had agreed to train and equip a thirty-nine division Chinese army, and the task had not been completed. While Wedemeyer and the Joint Chiefs laid plans to complete the program,\footnote{45} the State Department recommended that post-war military aid be suspended until a clearer trend of events could be established in China.\footnote{46} Truman took the middle ground, informing the Chinese Ambassador that America would continue the agreement and provide naval and air force aid. China was to settle its internal political problems, however, and American equipment was not to be used in civil war.\footnote{47}

Requests by Wedemeyer that large army forces be dispatched into northern China to stabilize the situation and head off Russia went unheeded generally, since available

\footnote{44}Hearings on Korean Aid, p. 118.
\footnote{46}State to War, February 27, 1945, cited in *ibid.*, p. 337.
\footnote{47}Oral Statement, Truman to Soong, September 14, 1945, *China White Paper*, p. 939. Truman's statement about prohibiting the use of American equipment in civil war was not new. Roosevelt had made the same demand in October, 1944, to encourage the Chinese to fight Japan instead of each other. The Joint Chiefs had accepted and evidently still accepted the idea.
forces were needed for the occupation of Japan. Two marine divisions were sent, while army forces occupied southern Korea. The United States had embraced the Nationalist Government, albeit in a limited way.

In September, 1945, Hurley and Wedemeyer returned to Washington, and during the fall the United States attempted to formalize a China policy. Truman told the two generals that "it would be our policy to support Chiang Kai-shek but that we would not be driven into fighting Chiang's battles for him." The Joint Chiefs also informed Wedemeyer that aid to Chiang would stop if used in civil war and that American aid would not go to any government which America found unacceptable. In October Vincent stated publicly that the United States desired a unified China, but, that to attract American capital and technology, the Kuomintang would have to make definite reforms. Just after Wedemeyer's return to China, the State Department reminded him that, while the United States would help the Nationalists remove the Japanese from China, it would not get involved in

48 Wedemeyer, p. 348.
49 China White Paper, p. 312.
50 Truman, Years of Trial and Hope, p. 64.
opposing the popular movement that the Communists represented.53

Back in China, Wedemeyer revealed his disenchantment with the compromise approach, predicting that the possibilities of successful American mediation were "remote."54 Warning of the dangerous military situation facing the Nationalists, particularly in Soviet occupied Manchuria, Wedemeyer recommended that the United States either back Chiang in China and accept the risk of Russian intervention or get out of China altogether.55

In Washington the military again broached the subject with the State Department. The so-called Forrestal-Patterson Memorandum, embodying War and Navy Department views, maintained that the United States could not possibly help Chiang get the Japanese out of China without aiding him against the Communists and staunchly recommended that America accept all risks in aiding Nationalist reoccupation of Japanese-held territory.56 At a State-War-Navy Conference on the following day Byrnes favored American mediation to create a unified Chinese government, while using United States aid as a lever to pressure Kuomintang cooperation. Byrnes

54China White Paper, p. 152.
56Ibid., pp. 111-112.
also suggested that Russian support be sought for this policy. All agreed that a unified government under Chiang would be in the best interests of American policy.\textsuperscript{57}

It was on this general basis that Hurley was to return to China to resume his mediation efforts. Suddenly, on November 27, Hurley resigned with an angry letter to Truman.\textsuperscript{58} On the same day, Truman appointed George Marshall as his personal representative to China.

Hurley's influence upon American policy was tremendous. Indeed, the Ambassador, assisted by his fellow military officers and backed by the White House, formulated his own policy during the period of his mission. Essentially, Hurley assumed that Stalin and the Soviets were trustworthy and that the Chinese Communists were not "real" Communists. He further assumed that the Communists were much overrated and, without Russian support, they would quickly come to terms with the Nationalist Government. Working on these assumptions, Hurley favored supplying and transporting Chiang's armies, which would unify the nation under a friendly government. This remedy found ready adherents within the military establishment. Thus, by the time

\textsuperscript{57}Ibid., p. 123.

\textsuperscript{58}Hurley to Truman, November 26, 1945, China White Paper, pp. 581-584.
Marshall set out to be a neutral mediator in China, the United States Government was divided internally and was strongly bound to the Nationalist cause.
CHAPTER III

PHASE TWO: THE MARSHALL MISSION

The year 1946, the period of the Marshall Mission, was free from the governmental bickering and dissension that generally prevailed in the decade. Moreover, politics had not yet emerged to plague the Administration. Several factors contributed to this surface tranquility. Marshall's personal prestige made him almost invulnerable to criticism. The nature of his mission to China and the confidence placed in him by Truman, Byrnes, and the military left the former Army chief of staff with a virtual "free hand" in China. Thus, the Administration avoided the responsibility of policy decisions. Finally, with demobilization and rehabilitation, factional quarrels in China aroused little public interest.

Hurley's resignation created a brief storm in Washington. The retiring Ambassador, through a press conference and the public release of his letter to Truman, revealed his disagreements with the foreign service officers. The Administration felt obligated, therefore, to issue a formal pronouncement of its policy. Immediately after Hurley's
resignation, Byrnes at a press conference minimized the differences between Hurley and the State Department. In early December Byrnes, appearing before the Senate Foreign Relations Committee, asserted that American policy toward China had remained consistent and that no changes were anticipated.  

With the groundwork laid, Truman released the Administration's formalized China policy on December 16, 1945, the date of Marshall's departure for China. Truman stated that the Nationalist Government, recognized "as the only legal government in China," was "the proper instrument to achieve the objective of a unified China." While the United States would not intervene militarily, it would continue to aid in the removal of the Japanese from China. Truman further stated that America favored broadening the Nationalist Government to include all political elements and eliminating the autonomous armies in the country. "As China moves toward peace and unity along the lines described above, the United States would be prepared to assist the National Government economically and militarily.  

---

2 Statement by Byrnes, ibid., December 7, 1945; December 9, 1945; XIII, 930-935.
4 Ibid., p. 609.
The White House statement paralleled closely Truman's instructions to Marshall. Significantly, however, Marshall was authorized to "speak with the utmost frankness" to Chinese leaders and to inform Chiang that American aid was dependent upon the progress China made in solving its internal strife. 5

During the same month at the Moscow Conference of Foreign Ministers Byrnes applied the final touch. At his insistence the Soviet Union, the United States, and Great Britain declared themselves to be "in agreement as to the need for a unified and democratic China under the National Government, for broad participation by democratic elements in all branches of the National Government, and for a cessation of civil strife." 6

Thus, at the end of 1945, a China policy had evolved. Marshall's influence would end China's factional quarrels and help to create a unified government. To insure Nationalist cooperation, he could deliver or deny precious American aid, on which the Kuomintang was so heavily dependent. The Sino-Soviet Treaty and the statement of the foreign ministers at Moscow, on the other hand, apparently strengthened his hand against the Communists, undermining any hopes they might entertain for foreign aid.

6Ibid., p. 125.
Unfortunately, the United States' plans looked better on paper than in practice. Despite the united front against the Japanese, the Kuomintang and the Communists had viewed each other as deadly enemies for a generation, and during that time the leadership on both sides had changed remarkably little. Marshall's greatest difficulty was overcoming this mutual suspicion. Although purportedly an impartial mediator, Marshall represented a biased government, another serious handicap. The United States had become firmly committed to the Nationalist cause. Only a week before Marshall's departure the State Department had consented to War Department plans to transport Nationalist troops into Manchuria and to provide them with logistic support. The United States had already flown three Nationalist armies into north and east China. Continued American support of the Nationalist Government during Marshall's mediation was a source of frequent irritation to the Communists.

Moreover, the solution which Marshall offered was fraught with dangers. At no time during his negotiations with the Chinese was there any agreement on the composition

8Memorandum, Byrnes to War Department, December 9, 1945, China White Paper, pp. 606-607.
9Ibid.
10Ibid., pp. 149, 159, 172, 180-181.
of local governments. Even if a functioning national government had been established, local administrations in Communist and Kuomintang controlled areas would presumably have reflected that respective political orientation, resulting in a coalition government of autonomous areas. With Marshall's aid the Chinese made considerable progress toward agreement on the establishment of a national army; yet, the army was to be composed of fifty Nationalist divisions and ten Communist, with the Communist divisions generally grouped through north and central China.\footnote{The best accounts of Marshall negotiations in China are the China White Paper and Vidya P. Dutt, Select Documents on Asian Affairs, East Asia, 1947-1950 (London, 1958).} Within this framework it is questionable whether the Marshall Mission had the requisite ingredients for solution to a thorny problem.

American plans were further frustrated by Soviet actions in Manchuria. Despite the efforts of the United States to cultivate their support, the Soviets evidently had no intention of aiding in the establishment of a pro-American, anti-Soviet regime along its vulnerable southern border. In Manchuria Russian commanders facilitated the creation of local Communist governments, refused the Nationalists access to Dairen, the largest port in Manchuria, and, most important of all, abandoned to the Communists the huge
stocks of Japanese war material that the Russians had appropriated in Manchuria.12

Against this foreboding background Marshall made amazing progress during his first weeks in China. On the surface at least, the two Chinese factions came very close to a settlement. On January 10, 1946, Marshall effected a cease fire in China, and by the end of the month Communist-Kuomintang negotiators had agreed to convene a National Assembly to adopt a constitution. Substantial progress was also made toward the creation of a national army.13 Since the United States had equated economic aid and national unity, Marshall informed Truman in early February that increased American aid would soon be required.14 In early March Marshall returned to the United States to support that objective. Upon leaving China, he publicly praised the "daily progress towards the settlement by peaceful means."15

In Washington Marshall arranged for a five hundred million dollar loan to China through the Export-Import

---

13 China White Paper, pp. 136-144.
14 Marshall to Truman, February 9, 1946, excerpts cited in Truman, Years of Trial and Hope, pp. 76-77.
Bank; lend-lease was again extended; vast quantities of Army surplus property in China and the western Pacific were to be sold to the Chinese; and a military advisory group in China was created. While the United States insisted that this aid was not to be earmarked for any one faction, in fact it went to the recognized Nationalist Government. Meanwhile, in Marshall's absence, unity collapsed in China. The crux of the Nationalist-Communist schism was control of Manchuria. Against the advice of both Wedemeyer and Marshall, Chiang was absolutely determined to establish Nationalist hegemony over the Eastern Provinces. With American assistance Chiang rushed his best armies, including the forces trained and equipped by Stilwell and Wedemeyer, into Manchuria. Awaiting the Nationalist armies were Communist forces, whose strength had been augmented by Japanese material. Upon his return in mid-April Marshall found large-scale fighting in the Eastern Provinces. The Communists refused, moreover, to negotiate further until hostilities ceased, while the Nationalists refused to compromise until


sovereignty had been established in Manchuria. From this point prospects for the Marshall Mission rapidly deteriorated.

Marshall intensified his efforts against a background of mounting tension. In May he withdrew from formal mediation, but still worked behind the scenes hoping to narrow Communist-Kuomintang differences. In early June he successfully effected a military truce in Manchuria, and, shortly afterward, resumed his mediation duties. By the end of June negotiations had failed to produce a settlement, and the truce period was due to expire. Marshall ordered his staff to draft orders for their return to the United States. At the last minute both sides agreed to extend the truce, however, and negotiations continued. On July 4, Marshall asked J. Leighton Stuart, who spoke Chinese and was a long-time resident of China, to become American Ambassador to China. Stuart's appointment was confirmed the following week, and he joined in the discussions as Marshall's assistant. Negotiations dragged on, but an accord seemed as far away as ever.

On August 10, Marshall and Stuart in a joint statement expressed their pessimism over the progress of negotiations.

---

19 Ibid., pp. 149-150.
20 J. Leighton Stuart, Fifty Years in China (New York, 1944), p. 165.
On the same day acting on Marshall's advice, Truman informed Chiang of American disappointment in developments and warned that if the situation did not quickly improve, "it will be necessary for me to redefine and explain the position of the United States to the people of America." Again on Marshall's recommendation, Truman and Byrnes followed up the threat by clamping an embargo on the shipment of combat material into China. Furthermore, lend-lease was allowed to expire, the five hundred million dollar loan mentioned above was withheld, and even the United Nations Relief and Rehabilitation Administration suspended shipments to China. The surplus property sale went through, but it included no combat equipment. Finally, in September, the bulk of the Marine force in north China was withdrawn.

Chiang, in the meantime, had finally answered Truman's message, delivering a denunciation of the Communists and blaming them for the impasse in negotiations.

---

23 Truman to Chiang, August 10, 1946, China White Paper, p. 652.
24 Military Situation in the Far East, pp. 1852-1853, 1858.
26 Ibid.
27 Koo to Truman, August 28, 1946, China White Paper, p. 653.
retorted, reiterating his December 15 statement and promising economic aid if the internal situation improved.\(^{28}\)

American coercion had no great immediate effect on the Nationalist attitude toward concessions to the Communists. Chiang's armies had been achieving substantial success, and Kuomintang leadership appeared determined to press the advantage. In early October Marshall warned Chiang that, unless the Nationalist offensive in north China were halted, the United States would terminate its mediation.\(^{29}\) When Chiang refused, Marshall asked to be recalled to the United States.\(^{30}\) Again, Chiang acquiesced, and Marshall continued his efforts.

The Communists, however, refused to accept the truce unless the Nationalist armies were withdrawn to their original positions. On October 9, Marshall discussed the situation with the Communists negotiators, who mentioned United States aid to the Kuomintang, by implication questioning the impartiality of the American mediators. Marshall and Stuart again withdrew from mediation.\(^{31}\) During the following month a group of third party leaders attempted unsuccessfully to resume the negotiations. Finally, on

\(^{28}\)Truman to Chiang, August 31, 1946, ibid., p. 654.
\(^{29}\)Ibid., p. 189.
\(^{30}\)Ibid., p. 192.
\(^{31}\)Ibid., p. 194. Truman, Years of Trial and Hope, p. 87.
November 19, the head of the Communist delegation left for Yenan, thus ending the talks. 32

Since Marshall had been given carte blanche during the period of mediation, the seething discontent of the military lay dormant. In the summer of 1946, Forrestal, after attending the atomic tests at Bikini, completed a world tour, visiting China en route. Having talked with the discouraged Marshall, Forrestal discussed the situation with the leading military commanders in the Far East, all of whom were in agreement that the United States should pursue a more positive policy. General Omar Pfeiffer, commander of Marine forces in China, Admiral Charles Cooke, commander of the Seventh Fleet, and MacArthur, fearing a Communist takeover, favored support to the Nationalists. 33 Walter Robertson, American Commissioner at Peiking, joined in the chorus and emphasized that American withdrawal would invite Russian domination. 34 Just after Forrestal's return to Washington, Dean Acheson, Under Secretary of State, at a Cabinet meeting argued that a new American China policy should await Marshall's complete disenchantment with negotiations. 35 The military apparently accepted this condition.

33 The Forrestal Diaries, pp. 175-177.
34 Ibid., pp. 174-175.  35 Ibid., pp. 189-190.
Marshall remained in China after the Communist walkout. The Kuomintang and various smaller parties went ahead with plans to convene a National Assembly and to draft a constitution. During this period the Americans encouraged the establishment of a truly democratic government. For all practical purposes, however, the Marshall Mission had failed, and, in January, 1947, Marshall was recalled to the United States.

Whether the Marshall Mission actually could have resolved China's internal difficulties is moot and would require, in any case, an intensive inquiry into the negotiations of the Political Consultative Conference. Both Wedemeyer and the foreign service officers in China had previously predicted failure for American mediation. Yet, the Chinese were evidently quite close to a settlement during the early phase of the mission. Marshall later expressed his belief that the Communists were sincerely interested in reaching an agreement. In retrospect Stuart stated that Marshall's absence during his trip to the United States had been costly, in that it prevented the beginning of a cooperative endeavor by the two antagonists. Nevertheless,


37 Remarks by Marshall, State Department Round Table Discussion, October, 1949, Hearings on the Institute of Pacific Relations, p. 1656.

38 Stuart, Fifty Years in China, pp. 161, 167.
the net result of the Marshall Mission was the waste of the last available opportunity for the Truman Administration to formulate, without political pressures, a policy toward China. 39

CHAPTER IV

PHASE THREE: WITHDRAWAL

With the failure of the Marshall Mission, the formulation of a new American China policy became a necessity. The State Department's view, championed by John Carter Vincent and supported by Byrnes and Acheson, gravitated toward a "hands off" approach in regard to Chinese developments.\(^1\) Marshall agreed that withdrawal from direct intervention was the best course of action, at least until the United States found a more substantial ally than the Kuomintang.\(^2\) Marshall had believed for some time that the United States could not do business with the Nationalist Government until Chiang turned to the liberal wing of his party for advice and support. During his stay in China he had lectured Kuomintang leaders on the necessity of reforming their corrupt and inefficient administration.\(^3\) Although acutely aware of the strategic advantages of China, he was convinced

\(^3\)Ibid., pp. 169, 174, 176, 210-213, 216-218.
that the Nationalist Government was doomed unless Chiang broke with the reactionary, militarist wing of the party. Lacking first-hand knowledge of China, Truman had considerably more difficulty distinguishing between Communism in Asia and Communism in Europe. On the eve of the Truman Doctrine, the President was reluctant to abandon Chiang to the Communists. Accepting the advice of Marshall and Byrnes, however, Truman went along, albeit he and Marshall modified slightly the State Department policy. Future American aid would be used as a lever to pry administrative reforms from Chiang.

Like so many other phases of American policy toward China, this new addition was probably not the result of any thorough planning. With Truman hesitant about withdrawing from China and the military opposed, with a generally anti-Communist mood in Washington, and control in Congress by the traditionally Asia-First Republican Party, a conditional withdrawal was advisable.

American pressure on Chiang to "clean his house" was not new. During the war the United States had demanded an overhaul of the Kuomintang governmental machinery. Marshall had pleaded with the Chinese to adopt new policies and had remained in China for several extra weeks urging

---

better government. Truman's message to Chiang in August, 1946, had stressed the undesirable effect of the die-hard policies of the Kuomintang. 6

Gradually, however, this pressure assumed greater proportions. In November Vincent, speaking before the National Foreign Trade Council in New York, advised against investing American private capital in China. He mentioned the threat of civil war, but aimed his most emphatic remarks at the corrupt and undemocratic nature of the government in China and at the dangerous economic policies being pursued. 7 In December a major statement by Truman implied a general United States withdrawal from China. He added, however:

When conditions in China improve, we are prepared to consider aid in carrying out other projects, unrelated to civil strife, which encourage economic reconstruction and reform in China. . . . 8

On his return from China Marshall summed up his mission by condemning both the Kuomintang and Communist extremists. The salvation of China, in Marshall's opinion, lay with the formation of a government headed by Chiang but supported by the liberal elements within the Kuomintang and the

6 Truman to Chiang, August 10, 1946, ibid., p. 652.
8 Statement by Truman, December 18, 1946, China White Paper, pp. 689-694.
smaller third parties. Immediately afterward, Marshall was appointed Secretary of State, and three weeks later the State Department formally terminated the American mediation effort.

Marshall's public admission of failure precipitated renewed efforts of the Pentagon to encourage a more aggressive policy by the United States. In a memorandum to Forrestal early in 1947, Wedemeyer, who had returned from China during the previous year, voiced his fear of Russian imperialism in China and recommended support for the Nationalist Government in the civil war. In February Admiral Cooke returned from the Pacific to discuss the Far Eastern situation. After conversations with State and Navy Department officials, Cooke met with Truman and suggested the dispatch of a high-level mission to study the situation in China and to make recommendations. During the same month Forrestal twice advised Marshall to proceed with the mission.

---

12 Wedemeyer, Wedemeyer Reports, pp. 368-369.
14 The Forrestal Diaries, p. 247.
The military found a powerful ally in the Republican Party. In January Senator Arthur Vandenberg, chairman of the Senate Foreign Relations committee, declared publicly that the United States should shift emphasis from the creation of a coalition government to aid for the anti-Communist forces.15 In the following weeks Walter Judd and other Republican congressmen became increasingly vocal in their demands for increased support for the Nationalists.

On March 12, 1947, the President presented the Truman Doctrine to Congress, asking for large funds to protect "free peoples" from "subjugation by armed minorities."16 Naturally the subject of American aid to nations threatened by Communism became the most important political topic of the day. Originally, the State Department tried to extricate itself from an embarrassing position by contending that the Chinese Government was in no immediate danger of being defeated by Communist forces.17 As the debate continued, however, the Administration's seemingly paradoxical policy of bold action to aid anti-Communist forces in Europe coupled with virtual abandonment of the anti-Communist


17Statement by Acheson, Military Situation in the Far East, p. 2197.
forces in China became increasingly difficult to justify. Congressional implementation of the Truman Doctrine, Acheson's famous speech in Cleveland, Mississippi, anticipating the Marshall Plan, and finally, the Secretary's historic address combined to make American withdrawal from China untenable.18

On May 26, Marshall lifted the embargo on combat equipment to China, and on June 23, he invited suggestions for positive American action in China.20 The Secretary of State repeated the request at a State-War-Navy meeting three days later, and on June 27 the Cabinet discussed the China question.21 The upshot was Wedemeyer's appointment in July as head of a mission to study the situation in China and to make recommendations.

The choice of Wedemeyer was interesting. According to Wedemeyer, Marshall admitted that Congressional criticism of the negative nature of American policy in China had forced his hand.22 This explanation has been widely accepted.23

20 The Forrestal Diaries, p. 285.
21 Ibid.
22 Wedemeyer, Wedemeyer Reports, p. 382.
23 See especially, Westerfield, Foreign Policy and Foreign Politics, p. 260.
If the Administration plan were only to whitewash the China situation and still political criticism, why, then, was Wedemeyer chosen?

The pro-Nationalist views of the American general were well known, and that his report would recommend aid to Chiang could easily have been predicted. The fact that Wedemeyer and Marshall were in disagreement over China policy had been illustrated on several occasions, particularly Wedemeyer's refusal to accept the Ambassadorship to China because he felt unable to follow Marshall's policy. The President's instructions to Wedemeyer contained no hint of a whitewash, emphasizing that Wedemeyer should tell the Chinese leaders that his was a fact-finding mission and that any American aid would be contingent upon evidence that the Nationalists would use the assistance properly. Moreover, the directive specifically stipulated that Wedemeyer should maintain close contact with "American diplomatic and military officials in the area." MacArthur, Cooke, and Stuart, the top military and diplomatic officers, favored aid to Chiang.

---

24 Wedemeyer, Wedemeyer Reports!, pp. 368-369, 382.
26 Ibid., p. 774.
Finally, the conditions surrounding the decision to send a mission to China do not support the premise that it was primarily a political move. In late June, James Field, Deputy Director of Far Eastern Affairs, returned from a tour of north China and reported that the Nationalist military efforts showed "increasing evidences of failure..." The crisis in China was discussed by the Cabinet, and shortly afterward, with no apparent planning or groundwork, the decision was made to send a mission to China. Since Wedemeyer had just returned from a similar study in Europe and had previous experience in China, he was the logical choice to head the mission. Thus, Truman's acquiescence in the recommendation urged by Forrestal, Leahy, and Cooke reflected a sincere interest in aiding the Kuomintang, as long as there was any fair chance of success. Politics undoubtedly was the catalyst, but the Administration entertained more hopeful objectives.

The Wedemeyer Mission was announced on July 11, and the general departed for China that same month. He chose as his assistants three Army officers from the War Department, two State Department advisors, representatives from the Treasury and Navy Departments, and a reporter from the

27 The Forrestal Diaries, p. 286.
28 Stuart, Fifty Years in China, p. 185.
Sun. He also requested the views of officials in the China area, and the comments he received from Admiral Cooke were particularly revealing as an insight into the reasoning of the military toward China. Cooke pointed out that Siberia and the Maritime Province were a "source of weakness and vulnerability to Russia." Cut off by the Ural Mountains and fed only by the trans-Siberian railway, Russia's eastern flank was so weak that it offset Soviet gains in Europe. If Manchuria and other parts of northern China came into Russian possession, however, the area would be transformed into a source of great strength, probably shifting the world balance of power to the Soviet bloc of nations. The defeat of Communism in China, therefore, was vital to American security.

For a month Wedemeyer and his assistants rushed through China, and in September the report was delivered to the President. It was a unique document in that it identified most of the known evils of bad government with the Nationalists, and then promptly recommended large-scale American aid. Politically, the government was corrupt and inefficient;

29 Notes, Cooke to Wedemeyer, July, 1947, Hearings on the Institute of Pacific Relations, p. 1517.
30 Ibid., pp. 1516-1521.
economically, the nation was disintegrating; socially, education and academic freedom were virtually non-existent; militarily, the Communists were winning; and American aid to the Nationalists might precipitate a widespread civil war with Russia supporting the Communists.32 Nevertheless, the report called upon the United States to provide "moral, advisory, and material support to China."33 Wedemeyer emphasized the need for prompt military aid in the form of combat equipment, advisors, and training programs, with economic aid to be tied with effective governmental reforms.34 Wedemeyer insisted that there be no "lump sum" grants, and that all aid be supervised by Americans.35

Apparently reflecting Cooke's contributions, the report also stressed Soviet ambitions in China. Wedemeyer directly labeled the Chinese Communists as Russian controlled and spoke guardedly of the "sinister" forces working in "areas contiguous to Siberia."36

The Administration quietly buried the Wedemeyer Report. Truman evidently became convinced of the wisdom of Marshall's views that, without a major change in Kuomintang leadership, aid to China would accomplish nothing. Shortly after the report's completion, Walton Butterworth, Vincent's

---

32 Ibid., pp. 769-772.  
33 Ibid., p. 773.  
34 Ibid., p. 814.  
36 Ibid., p. 776.
successor as Director of Far Eastern Affairs, requested Wedemeyer's approval of its publication in an expurgated form. How much the State Department wished to delete is open to question. Marshall claimed that he wished only to remove a section recommending that Manchuria be placed under a "Five-Power Guardianship" or under a United Nations Trusteeship.\textsuperscript{37} Wedemeyer implied that extensive editing had been suggested.\textsuperscript{38} In any case Wedemeyer refused, and the Administration classified the document "top secret."

Nevertheless, pressure for aid to the Nationalists mounted, and the Administration steadily made concessions. From August, 1946, to May, 1947, the United States had generally left Chiang to his own resources. Lend-lease had expired on September 2, 1946, and, although a "pipeline" lend-lease agreement had allowed the United States to remove the remaining Japanese from China, the Nationalists received little material benefit after the expiration date.\textsuperscript{39} The surplus property sale, which amounted to some eight hundred twenty-five million dollars worth of Army equipment, was concluded in August, and deliveries continued throughout

\textsuperscript{37}Testimony by Marshall, \textit{Military Situation in the Far East}, pp. 546-547.

\textsuperscript{38}Wedemeyer, \textit{Wedemeyer Reports!}, p. 397.

most of 1946. No guns or ammunition were included in the transaction, but most of the goods, such as trucks and communications equipment, were put to military use by the Nationalists. In October, 1946, the United States delivered material for the Chinese air force, and in the same month the Maritime Commission made credit available to the Nationalists for merchant shipping. During April and May, 1947, the Marines abandoned large amounts of ammunition to Chiang's armies.

Following the lifting of the arms embargo, both the Navy and the Marine Corps dumped further ammunition near Tsingtao. In June, the United States sold one hundred thirty million more rounds of ammunition to the Nationalists. During the fall of 1947, America stepped up its activities. In October a War Department plan to permit the American Army Advisory Group in China to train Nationalist troops on Formosa was accepted by the State Department; American instruction was later extended to Chinese troops on the mainland. In November General David Barr, senior

---


41 Byrnes to Smith, October 2, 1946, Military Situation in the Far East, p. 553. See also, China White Paper, p. 1049.

42 Ibid., pp. 940-941.

43 Ibid., pp. 941-942.

44 Ibid., p. 1052.

officer of the Advisory Group, was permitted to give confidential advice to Chiang on war strategy.\footnote{bid., p. 324.} American staff advice was also made available to the Chinese high command and to the Defense Ministry.\footnote{bid., pp. 340-341.} To alleviate dire economic straits in China, relief agreements were concluded with the Nationalists in October and December providing for deliveries of food and medical supplies.\footnote{State Department Bulletin, July 25, 1948, XIX, 102.} Early in 1948, the Navy began transferring small vessels to the Chinese fleet, together with further sales of ammunition and aircraft.\footnote{China White Paper, pp. 1051, 1052.} Thus, the United States receded from its policy of withdrawal and was soon enmeshed in the internal quarrels of China.
CHAPTER V

PHASE FOUR: THE RETURN TO AID

The most unique feature of the China Aid Bill of 1948 was the extreme reluctance with which the Administration undertook the program. In executive hearings, Marshall said in effect that it would not work, but "we are already committed by past actions and by popular sentiment among our people..."¹ This "popular sentiment" was influenced considerably by the Henry Luce publications, which began the fight for aid with a lengthy article on China in the October 13, 1947, issue of Life. Together with the espousals of Republican congressmen, particularly Judd and John Vorys, widespread agitation for saving China was created.² With the presentation of the European Recovery Program to Congress in November, 1947, China's moment had arrived. To facilitate approval of European aid by a Republican Congress, the Administration compromised in the Far East. On November 10, Marshall promised a joint hearing of the

²For a discussion of the political aspects of the China Aid Act, see Westerfield, Foreign Policy and Party Politics, pp. 260-264.
Committees on Foreign Affairs and Foreign Relations that the Administration would request aid to China. ³ On the following day Marshall tentatively set the figure at three hundred million dollars. ⁴ It apparently was an insufficient bribe, for at a National Security Council Meeting early February, Marshall said that, while the situation was "practically unsolvable," he intended to advise five hundred fifty million dollars in aid for China. ⁵

On February 18, 1948, when the Administration finally submitted its recommendations, the sum totaled five hundred seventy million dollars, all of which was earmarked for short-term economic aid. No military assistance was authorized; however, the unfrozen Chinese overseas assets, estimated at two hundred seventy million dollars, ⁶ could be diverted into military purchasing. In his message, Truman made clear that the proposed assistance would be only a "stop-gap" measure allowing the Chinese Government time to work out its own salvation. ⁷ In the subsequent

⁴ Ibid., p. 372.
⁵ The Forrestal Diaries, p. 372.
⁷ Message to Congress from Truman, February 18, 1948, ibid., pp. 981-983.
congressional hearings Marshall enlarged upon the Administration's proposal. Arguing that the situation in China differed materially from that of Europe, the Secretary of State emphasized the dangers of becoming too deeply involved in China. The United States could not repudiate the Nationalists under the circumstances, he said, but to assume an untenable position just for the sake of opposing Communism must be avoided. Continuing, he asserted that the Nationalists could never defeat the Communists totally, even with strong American backing. Only reforms could save Nationalist China. 8

The China Aid Act, approved on April 3, differed in two important respects from the President's proposals. Of the total, one hundred twenty-five million dollars in grants could be and was intended to be used for the purchase of military supplies; economic aid was reduced to three hundred thirty-eight million dollars. The preamble of the act, however, by innuendo precluded the use of American military advisors or any other substantial involvement in the Chinese civil war, specifically stating that the United States assumed no responsibility for the

---

undertakings of the Chinese Government. Thus, with Chiang's home front collapsing and his armies being defeated in the field, the United States belatedly sought to prevent the inevitable.

The China Aid program was implemented with agonizing slowness. In June the Chinese Ambassador was informed of the terms under which the one hundred twenty-five million dollars could be obtained. One month later letters from Truman to the Secretaries of State, Defense, and the Treasury authorized assistance and the transfer of funds for China aid. On the following day, Forrestal, now Secretary of Defense, authorized the military departments to provide aid to the Chinese in acquiring military equipment.

The Nationalists made their first request for Army supplies on September 10, but this was superseded by a revised priority list two weeks later. Early in October, the Navy Department volunteered to ship these items directly to China. Four United States Naval vessels were eventually

\[9\] China Aid Act of 1948, Title IV of the Foreign Assistance Act, \textit{ibid.}, pp. 991-993.

\[10\] Lovett to Koo, June 28, 1948, \textit{ibid.}, p. 948.


\[13\] \textit{Ibid.}
dispatched with supplies, the first departing from the west coast in early November and arriving in China on December 1, 1948. The other three ships arrived during January and February, 1949, although their cargoes were unloaded in Formosa at the request of the Chinese Government. The Nationalists, of course, purchased military equipment from other sources, but little of this arrived in China prior to November, 1949. Overall, the Army provided over half of the war supplies furnished by the United States. Economic aid--largely food, cotton, and petroleum--went more smoothly but this was used primarily for relief purposes in eastern Chinese cities and had little influence in the overall course of events. Thus, not until late 1948 did substantial amounts of American equipment reach China, much too late to alter the nation's destiny.

The greatest result of American aid was its psychological impact on China. The Congressional debate was carefully followed in China, and the measure drew varying reactions. Chiang and his government were disappointed, as the sums did not satisfy their expectation. The Communists were naturally antagonistic, while the intellectuals and liberals,  

14 Ibid.  
16 Economic Aid to China, ibid., pp. 1006-1012.
aligned with neither camp, were disillusioned, believing that American support would prolong the war.  

The general animosity toward America was augmented by the activities of the advisory personnel. For the one thousand officers and men who had been sent to China in 1946 there was little to do, except to tender advice to the Chinese high command, and, late in the war, to train a few Nationalist troops. Otherwise, the Americans frequented the best hotels, expressed boredom, and made a generally bad impression, while their presence convinced the Communists that they were lending important aid to Chiang. The China Aid Program proved to be a very unproductive venture.

After Marshall's departure from China in early 1947, the Nationalist position had rapidly deteriorated. Although the Kuomintang adopted a new constitution, reorganized the government, planned far-reaching reforms, and announced elections, these elections, held in late 1947, were carefully managed and resulted in gains for the right wing of the Kuomintang Party. The promised reforms were never implemented.

During the early part of 1948 the Kuomintang continued with its political program. A National Assembly met in

17 Stuart, *Fifty Years in China*, pp. 190, 209.
19 Dutt, *Select Documents on Asian Affairs*, pp. 8, 40-42.
March, and, after much political maneuvering, elected Chiang to the Presidency. His election reflected China's dilemma. Chiang's policies were repudiated by the Assembly, but Nationalist unity rested to a great extent on personal loyalty to Chiang, making his election the only apparent alternative. Unfortunately, the men Chiang trusted most and placed in the top military positions were frequently his worst generals. The steadily deteriorating Nationalist military posture during 1948 was climaxed in November. In Manchuria, 300,000 of Chiang's best troops surrendered. The magnitude of the disaster was immediately apparent. The Communists revised their military strategy, halting guerrilla raiding activities and launching an invasion of central China. The American Embassy at Nanking assembled all senior military officers to discuss the situation, concluding that the early fall of the Nationalists was inevitable. The Army Intelligence summary of the year's developments termed the Nationalist position "beyond possible recouperation."

---


22 Dutt, Select Documents on Asian Affairs, p. 11.


24 Army Intelligence Review of Military Developments in 1948, Military Situation in the Far East, p. 1855.
Repercussions in official Washington accompanied the developing crisis. A few months after the China Aid Act, the Truman Administration began a general review of Far Eastern policy. Conflicting opinions and political pressures, however, seriously handicapped the efficient operation of the Administration's policy-making machinery. The State Department was more anxious than ever to abandon Chiang. The departure of Vincent from the Far Eastern desk had changed nothing, since Butterworth's attitudes differed little from those of his predecessor. Marshall probably agreed with his Far Eastern advisors privately, but Truman's reluctance to proceed prevented any open identification. The Secretary of State was not inclined by experience or character to act independently of the President. Conversely, the military, with Forrestal the principal spokesman, was adamant as ever in demanding stronger support for the Nationalists. This view was supported by Ambassador Stuart, who remained strongly anti-Communist.

Aside from these conflicting recommendations, Truman was forced to make decisions in an atmosphere charged with


political static. Near the end of the Presidential campaign of 1948, Dewey criticized the Administration for its "niggardly" Chinese aid program. While these remarks drew considerable public attention and comment, they simply were portents of things to come.

The State Department's hand would not be forced. In August, when Stuart recommended American opposition to any coalition government and all possible aid to the Nationalists, he was quickly instructed that the United States would not accept either responsibility, for the primary objective of American policy should be to maintain maximum freedom of action pending further developments.

Speaking in early October, Butterworth emphasized that the situations in Asia and in Europe were not comparable; in China the Communists had become identified with Chinese nationalism. Shortly afterward, when Stuart offered similar suggestions to those he had previously proposed, Marshall painted him a somber picture of the situation, concluding that further American aid would be foolhardy.

---

27 Ibid., p. 866.
29 Ibid., pp. 279-280.
30 Speech by Butterworth, October 6, 1948, State Department Bulletin, October 17, 1948, XIX, 492-494.
After the Nationalist military disaster in Manchuria, Chiang in desperation requested greater aid and a policy statement supporting the Nationalists. Truman declined on each count, but went a step further than the State Department had indicated by advising Chiang of American opposition to any coalition government.

On November 25, 1948, Forrestal brought the question of American policy toward China to a head by proposing that the United States reactivate the American Volunteer Group, more popularly known as the Flying Tigers. The Cabinet discussed the proposal the following day. A paper drafted by the Far Eastern Section and read by Marshall recommended "going to the American public now to explain the inadequacies of the Chiang Kai-shek government." According to this document, the Administration had only two alternatives—to continue to support Chiang, and suffer the consequences of his defeat, or to abandon Chiang completely. In the subsequent Cabinet discussion Marshall predicted that, as a public abandonment of the Nationalists would precipitate the fall of the Chiang Government, the

---

32 Chiang to Truman, November 9, 1948, *ibid.*, p. 888.
34 *The Forrestal Diaries*, pp. 533-534.
United States had to avoid that step. Truman accepted
Marshall's conclusion, and the recommendations of both the
Defense and State Departments were turned down.36

During the following months, the United States con-
tinued its subtle withdrawal from Chinese affairs amid
increasing congressional criticism. In January, 1949,
Truman, acting on State Department advice, directed that
further military assistance under the China Aid Act adhere
to the general recommendations of American military officers
in China.37 The implications of Truman's decision were
obvious. General David Barr, the senior Army advisory in
China, was a vocal critic of American involvement with the
Nationalists and had recommended two months previously that
the American military advisory group in China be withdrawn.38
Barr promptly advised that all military aid to Chiang
cease.39 Later that month the military advisory group was
recalled, and the Administration prepared to close Chiang's
arsenal.

36Ibid.

37Hearings before a Subcommittee on the Committee on
Foreign Relations, United States Senate, 82nd Congress,
1st Session, on the Nomination of Philip C. Jessup to be
United States Representative to the Sixth General Assembly
cited Hearings on the Nomination of Philip C. Jessup.

38China White Paper, p. 700.

39Hearings on the Nomination of Philip C. Jessup, p. 700.
On February 5, 1949, the President called an off-the-record conference at the White House. Present besides Truman were Dean Acheson, who had recently replaced Marshall as Secretary of State, Vice President Alben Barkley, and leading congressional spokesman on foreign policy from both parties. Truman explained that military advisors in China and top Administration officials considered the Nationalist cause hopeless and recommended halting further military shipments to China and reinvoking the arms embargo. Senator Vandenberg thought that this would spell the end of the Nationalists, and he declined "to be responsible for the last push. . . ." The meeting produced no final decision, but in succeeding weeks Truman gradually stopped the flow of combat equipment to China.

Shortly after the White House conference, Acheson assembled a group of Republican representatives anxious about plans for further aid to China. In a statement that has since become famous, the Secretary of State explained that the Administration was moving cautiously in the Far East "until the dust settled." Later in February, the McCarran bill, calling for vast sums to bail Chiang out, was

---

40 Vandenberg, The Private Papers of Senator Vandenberg, p. 531.
41 Ibid.
42 Testimony of Acheson, Military Situation in the Far East, p. 1766.
introduced in the Senate and quickly attracted strong congressional support. In a letter to the Chairman of the Senate Foreign Relations Committee Acheson revealed the Administration's sentiments, terming the Senate bill "unwarranted." Since the Nationalists lacked the strength to hold out in China, he explained, American aid would ultimately go to the Communists. The Administration asked instead that the funds appropriated under the China Aid Act be extended. The McCarran bill died without a hearing.

While the Administration moved rapidly away from involvement in China, this did not mean a complete abandonment of the Nationalists. In May, the State Department advised other Western governments not to recognize precipitately any new Communist Government and obtained their agreement to consult before taking steps toward recognition. Acheson also promised members of the Senate Foreign Relations Committee that they would be consulted prior to any American recognition of a Communist government. Thus the United States hesitantly withdrew, neither planning

---

[44] Ibid.
abandonment of Chiang by recognizing the Communist Government nor supporting him in his futile efforts to control China.
CHAPTER VI

PHASE FIVE: ABANDONMENT AND FAILURE

Nationalist China collapsed with startling swiftness. After capturing Manchuria, Communist forces swept south, occupying Nanking, the Nationalist capital, in April, 1949, and driving the Kuomintang armies from mainland China by the end of the year. In October, the Communists proclaimed the People's Republic of China, while the Nationalists established a government-in-exile on Formosa in December.

The amazing speed of the Communist advance surprised American observers. 1 Ambassador-at-large Philip Jessup was called to Washington in June to undertake a thorough review of American policy in the Far East. The former college professor was directed to chart a prepared course predicated on the assumption that the United States wanted no further spread of Communism in Asia. 2

One of the first results of Jessup's inquiry was the publication in late July of the China White Paper. Edited

---

1 Remarks by Butterworth, Round Table Discussion on American Policy toward China, October 6, 7, and 8, 1949, Hearings on the Institute of Pacific Relations, p. 1566.

2 Memorandum, Acheson to Jessup, July 18, 1949, Hearings on the Nomination of Philip C. Jessup, p. 603.
by Jessup, the volume was largely compiled in the Far Eastern Division under the direction of Butterworth. In something over a thousand pages, the White Paper endeavored to show that American policies could not have prevented Communist victory in China and that the Administration had in fact used its capabilities to avert a Nationalist collapse. The blame for China's fall was placed squarely on the shoulders of the Chiang Government. In a sense the White Paper was a belated attempt to awaken the public to a realistic appraisal of the Kuomintang, the step formerly recommended by the State Department experts.

Jessup next sought advice outside the government, asking thirty-one experts on Asia--largely college professors and former diplomats--to submit their views on the future policy toward China. The State Department then sponsored a round table conference, which was attended by twenty-five Far Eastern specialists. Again college professors predominated, but also included were businessmen and representatives of various foreign affairs organizations, such as the Rockefeller Brothers Foundation. In his welcoming remarks, Under Secretary James Webb referred to the group as "perhaps...

---

3Ibid., pp. 705-706. 4Ibid., p. 605.

5Five men who had submitted written policy recommendations were invited to the conference. All five--Joseph Ballantine, John Fairbank, Owen Lattimore, Edwin Reischauer, Lawrence Rosinger--were outspoken advocates of a liberal, flexible policy toward China.
the greatest aggregation of intelligent thinkers . . . " in the country on matters concerning China. Since the conference was intended to be confidential, participants spoke frankly, and the minutes provide one of the best available sources for analyzing the thinking of experts and of State Department officials.

The major controversy at the parley concerned the timing of American actions, since the prevailing trends favored recognizing Red China and seating representatives of the new government on the Security Council of the United Nations. The comments of State Department officials indicated general acceptance of this course. During one of the recesses Harold Stassen, president of the University of Pennsylvania, who disagreed with the majority views, pleaded with Jessup not to accede to this general overtone. Jessup "responded that he felt that the greater logic was on that side," and although he later denied making the remark, it was probably a fair reflection of his thinking at the time.

6 Remarks by Webb, Round Table Discussion on American Policy toward China, October 6, 7, and 8, 1949, Hearings on the Institute of Pacific Relations, p. 1555.
7 Ibid., pp. 1551-1682.
8 Testimony of Stassen, Hearings on the Nomination of Philip C. Jessup, p. 722. See also Jessup's denial, Ibid., p. 619.
Other isolated events had given definite indications of the future direction of United States policy. In December, 1948, Roger Hoffman, Economic Cooperation Administrator, had said that American economic aid to China would continue even though the Chiang Government collapsed. In February, 1949, the American Council General at Shanghai made a conciliatory speech, pointing out Communist contributions to the war against Japan. In May, he issued a statement concerning the "distinctly favorable" impression that the Communists had made upon Americans in Shanghai. In June, the United States refused to recognize the Nationalist blockade of Communist held ports. During the same month, Walton Butterworth was promoted to Assistant Secretary of State, although Republican opposition in the Senate delayed his confirmation until September.

---

9Current Developments in United States Foreign Policy, December, 1948, p. 8. Hoff said that aid would not go to an all-Communist government, but would continue to an interim government or to a Communist dominated government that allowed representation to other parties and groups. The State Department promptly disavowed his words.


12Ibid., July 11, 1949, XXI, 34-35.
American business interests in China became increasingly disillusioned with the Nationalists. Brought out in the Wedemeyer Report, this attitude was confirmed by business spokesmen at the State Department round table conference. Both business and missionary groups with interests in China petitioned for the recognition of the Communists.

Chiang Kai-Shek's stock continued to decline. Formosa was expected to fall to the Communists, precluding any further aid to the Kuomintang. In August, 1949, the Secretary of State informed the National Security Council that planning should be based on the expectation of an early capitulation of the island. The Joint Chiefs agreed with Acheson's prediction, believing that military defense by American armed forces was not justified. State


15 Testimony by Acheson, Military Situation in the Far East, p. 1672.

16 Memorandum, Wedemeyer to Allen, August 26, 1949, ibid., p. 2371.
Department studies during September and October supported the prediction that Formosa would fall, probably during 1950. To minimize the consequences of the loss of Formosa—particularly its effects on American prestige—the Public Affairs Section drafted a confidential information guidance paper directing United States officials to make use of certain arguments when referring to Formosa. Dispatched on December 23, the paper emphasized that Formosa was a Chinese problem, that it was not strategically important, and that American aid to Formosa had been confined to economic relief, not military assistance.

While making preparations for the expected Nationalist demise, America remained cautious. Just after the People's Republic had been proclaimed, the United States reaffirmed its recognition of the Kuomintang Government. Acheson left the door ajar, however, when he declared shortly afterward that American recognition policy demanded that a government control the nation, respect international law, and govern by the acquiescence of the population. On the same day the Administration again urged America's allies not to recognize prematurely the Communist Government.

---

17 Testimony by Acheson, ibid., p. 1672.
20 Ibid., p. 616.
The People's Republic made little effort to court recognition. The Chinese followed the Bolshevik precedent by announcing that Kuomintang treaties negotiated after January, 1946, would not be honored. In the cities occupied by the Red Chinese armies, the Communists refused to recognize foreign officials, treating diplomats as individual citizens. Numerous American officials were inconvenienced, detailed, or arrested outright. Furthermore, the new regime left little doubt that it intended to look to the Soviets for aid and guidance, declaring that the United States and Britain could not be counted upon to offer real friendship. In early 1950, the government concluded a treaty of alliance with the Soviets, each agreeing to assist the other in case of aggression by Japan and any nation associated with Japan.

21 Hearings before a Subcommittee of the Committee on Foreign Relations, United States Senate, 80th Congress, 2nd Session, on a Treaty of Friendship, Commerce, and Navigation between the United States and China (Washington, 1948), p. 60.

22 Stuart, Fifty Years in China, p. 249.


August United States information offices were closed, and in January, 1950, American consular property in Peiping, the Communist capital, was confiscated.

In reply the United States warned that all official representatives would be withdrawn from China. At a press conference, Acheson announced that recognition would not be considered under the circumstances, and in March all American officials were recalled. Washington also applied considerable pressure on its allies to withhold recognition until the Chinese showed more respect for international amenities. Despite State Department objections, Great Britain informed the United States in November, 1949, that it planned to recognize the new government. When the British publicly announced their intention to establish relations with the People's Government, however, the announcement was ignored by the Chinese.

---

26 State Department Bulletin, August 15, 1949, XXI, 239.
28 Ibid.
29 Hearings on the Nomination of Philip G. Jessup, p. 626.
31 Acheson to Smith, September 26, 1951, Hearings on the Nomination of Philip G. Jessup, p. 624. See also, pp. 625, 649-654, 791-793.
32 Ibid., p. 625.
The State Department took little note of the Nationalists, despite the rising anguish from predictable quarters. Relations with Formosa continued to deteriorate. In December, 1949, the United States again protested against Nationalist blockade of Communist ports, and in January forty-two ships that had been sold to the Nationalists, on which the Kuomintang Government had defaulted, were repossessed.

The following month, the United States remonstrated against the destruction of American-owned property by Nationalist bombings of Chinese cities together with an incident involving an attack on an American merchant vessel by a blockading Nationalist gunboat.

The winter of 1949-1950 witnessed the culmination of the "hands off" policy. In November Jessup informed the ranking Republican member of the Foreign Relations Committee that, with Great Britain other nations taking the step, the United States would be forced to recognize. Shortly afterward, Jessup was quoted by an Army general as saying that America would establish relations with Red

---

33 *State Department Bulletin*, December 19, 1949, XXI, 945.


China in the immediate future.\textsuperscript{37} Truman was evidently won over to the State Department view in December. Quoting a high official in the State Department, a \textit{Time Magazine} correspondent alleged that Acheson had been pressing Truman for early recognition and had finally won acceptance of the idea, although the President remained hesitant to brook congressional opposition.\textsuperscript{38} On January 5, Acheson announced that Formosa was a part of China, consequently a matter for the Chinese to settle internally.\textsuperscript{39} Less than a week later, the Secretary of State went before a closed session of the Foreign Relations Committee to oppose further aid to the Nationalists and to point out that the American defensive perimeter lay east of Formosa. Acheson left the general impression that the Administration intended to desert Chiang and to court the Communist Government.\textsuperscript{40}

Throughout this period, however, strong opposition was building up against the trend of American policy. Again, it was the military which provided a rallying point for the dissenting view. Louis A. Johnson, who had replaced

\begin{itemize}
\item \textsuperscript{37} Testimony by General Joseph Fortier, \textit{Hearings on the Institute of Pacific Relations}, p. 843.
\item \textsuperscript{38} \textit{Hearings on the Nomination of Philip C. Jessup}, p. 857.
\item \textsuperscript{39} Statement by Acheson, January 5, 1950, \textit{Documents on American Foreign Relations}, XII, 492-495.
\item \textsuperscript{40} Report on a Closed Conference between Acheson and the Senate Foreign Relations Committee by William White, January 10, 1950, \textit{Hearings on the Nomination of Philip C. Jessup}, pp. 724-725.
\end{itemize}
Forrestal as Secretary of Defense, was strongly opposed to abandoning Formosa, a fact that probably encouraged officers with experience in the Far East, particularly Generals Chennault and Hurley and Admiral Cooke, to speak out publicly for further aid to Chiang. Their principal argument was that American security would be endangered if Formosa were occupied by a potential enemy.

Johnson and the Defense Department fought the publication of the China White Paper, and, with the President's adverse decision, Johnson demanded that Defense Department files be examined and incorporated into the study. Admiral Oscar Badger, on his return from the Western Pacific in September, recommended the dispatch of a military mission to Formosa. The "China Lobby" stepped up its activities, and Congressional Republicans--particularly the "China bloc"--maintained its assault on Administration policy.

In late 1949 the Administration's critics were aided paradoxically by Chiang's retreat from the mainland. Johnson

---

42 Testimony by Johnson, Military Situation in the Far East, p. 2615.
43 Ibid., p. 2679. 44 Ibid., p. 2760.
asked the Joint Chiefs to consider the Formosan question strictly on its military merits, disregarding political considerations. Reversing their previous recommendations, the Joint Chiefs promptly advised action to keep Formosa out of the Communist orbit. On December 15, Johnson urged the President to dispatch a military mission to the Nationalist-held island, to be augmented by further military aid.

The Defense Department view was reinforced by leading Republicans, particularly Senator Alexander Smith, ranking G. O. P. member of the Foreign Relations Committee. Fresh from a tour of the Far East, he had a highly favorable opinion of Chiang and his island redoubt.

The State Department, nevertheless, proceeded with plans to disentangle the United States from Chinese affairs. On December 20, Jessup and Butterworth were dispatched on a tour of Asia, ostensibly to study future American policy, but more likely to explain United States actions to other

---

46 Testimony by Johnson, Military Situation in the Far East, p. 2577. With a "Europe First" world strategy, the United States had only ten divisions to meet its many commitments. Therefore, the Joint Chiefs had twice opposed America's taking a strong stand over Formosa. Ibid., p. 2679.

47 Testimony by Johnson, ibid., p. 2577. See also, testimony by Acheson, ibid., pp. 1674-1675.

Asian governments. Three days later, the policy guidance paper was disseminated. The State Department had taken the precaution of not sending copies to the higher echelons of the Pentagon, but MacArthur's headquarters in Japan leaked the contents to the press, providing further ammunition for Congressional criticism. In the meantime the Secretaries of State and Defense argued their cases before the President. On December 22, Truman decided in favor of Acheson's recommendation not to support the exile government.

Early in January, 1950, Truman announced that the Nationalists could no longer expect American support. The heart of Truman's prepared statement declared that the United States

will not provide military aid or advice to Chinese forces on Formosa. In view of the United States Government, the resources on Formosa are adequate to enable them to obtain the items which they might consider necessary for the defense of the Island. The United States Government proposes to continue under existing legislative authority the present ECA program of economic assistance.

---

49 Hearings on the Nomination of Philip C. Jessup, pp. 440-441.

50 Military Situation in the Far East, pp. 1675-1681. MacArthur had for some time been an ardent admirer of Chiang and an advocate of the necessity for retention of Formosa. John W. Spanier, The Truman-MacArthur Controversy and the Korean War (Cambridge, 1959), Chapter IV.

51 Testimony of Johnson, Military Situation in the Far East, p. 2578.

Acheson enlarged upon this view with major policy speeches during January and March. The Secretary of State emphasized that Communism in China had become allied with Asian nationalism, that Russia was the true imperialistic power in the Far East, and that "we must not undertake to deflect from the Russians to ourselves the righteous anger, and the wrath, and the hatred of the Chinese people. . . ."53 Thus, after seven years of rivalry between Departments, the United States had deserted the Nationalist Government, hoping to take advantage of historic Russian-Chinese antagonism in Asia.

By this time, however, the political opposition was solidified and 1950 was an election year. In February Senator Joseph McCarthy, to appeal to America's frustrations, began his attacks on Communist influence in the State Department. The Administration, perhaps with a positive policy in the Far East for the first time, was politically handcuffed. As it waited for the Chinese Communists to solve the Formosan question with an invasion of the island, the Korean War intervened. This apparently unexpected development forced a complete reappraisal of American policy. The United States soon shifted from

abandonment to strong support of Nationalist China. The dust had been settled.

These developments—the long delay in the evolution of a China policy, the partisan nature of the policy that did finally emerge, the struggle against Communism in Korea—left the Administration vulnerable to political exploitation. In the "Red scare" of the early 1950's, right-wing Republican congressmen found eager audiences for their charges that the "loss of China" was due to Communist infiltration of the State Department. Again, the military played an important role, providing leading witnesses for the congressional investigations of Communist subversion. After a decade of distortion and misrepresentation, it is little wonder that President Kennedy has a very narrow framework within which to evolve a workable China policy for the sixties.
BIBLIOGRAPHY

Primary Sources

Documents

Department of State, United States Relations with China, White Paper, with Special Reference to the Period 1941-1949, Washington, Division of Publications, 1949.


Congressional Hearings


Hearings before a Subcommittee of the Committee on Foreign Relations, United States Senate, 81st Congress, 2nd Session, Pursuant to S. Res. 231, State Department Employee Loyalty Investigation (3 volumes), Washington, Government Printing Office, 1950.

Hearings before a Subcommittee of the Committee on Foreign Relations, United States Senate, 82nd Congress, 1st Session, on Nomination of Philip C. Jessup to be United States Representative to the Sixth General Assembly of the United Nations, Washington, Government Printing Office, 1951.

Hearings before the Subcommittee to Investigate the Administration of the Internal Security Act and Other Internal Security Laws of the Committee on the Judiciary, United States Senate, 82nd Congress, 1st Session, on The Institute of Pacific Relations (15 parts), Washington, Government Printing Office, 1951-1952.

Hearings before the Subcommittee of the Committee on the Judiciary, United States Senate, 83rd Congress, 1st Session, on Interlocking Subversion in Government Departments (3 volumes), Washington, Government Printing Office, 1953-1954.

Memoirs


Bundy, McGeorge, editor, The Pattern of Responsibility (from the Record of Secretary of State Dean Acheson), Boston, Houghton Mifflin Company, 1951.


Connally, Tom, My Name Is Tom Connally As Told to Alfred Steinberg, New York, Thomas Crowell Company, 1954.


Secondary Sources

Books


Crabb, Cecil W., Jr., Bipartisan Foreign Policy, Myth or Reality?, Evanston, Row, Peterson and Company, 1957.


Lindsay, Michael, China and the Cold War, Melbourne, Melbourne University Press, 1955.


**Bulletins**
