War Ends, War Begins

In the 1930s and 1940s, Americans dealt with a China riven by civil war and foreign intervention. As communists labored to seize and transform China, the Japanese sought to expand their empire on the mainland of Asia. Complicating the situation further, the government of China under Chiang Kai-shek appeared increasingly ineffective, corrupt, and uncooperative. Although the American public tended to be apathetic toward foreign relations and ignorant about Asia, the United States had no choice but to confront the challenges that the forces of aggression and revolution posed. At the forefront were the diplomats, who struggled with the realities of war on the ground in China, seeking to protect American interests and work with authorities who often resented American advice while demanding American aid.

The United States had grown accustomed to a certain degree of chaos in China. After the fall of the Qing dynasty in 1911, the Chinese political scene changed rapidly and often. Hopes for a democratic government quickly dissipated as Sun Yat-sen, the revolutionary leader who had traveled in the United States and been hailed as the George Washington of China, was pushed aside. Eventually, his successor Chiang Kai-shek built a political coalition and mounted a military campaign to reunify the country. His Northern Expedition, which defeated or coopted rival holders of power, known as warlords, succeeded in 1928, but not without provoking Japan and driving the Chinese Communists into armed rebellion.

Japanese aggression worried Washington more than the Chinese opposition, which did not seem a significant force at the time. Japan saw control of China as essential to its great power status. When Chinese nationalism threatened to undermine this vision, the Japanese tried to thwart it by deploying troops in North China to stop the Guomindang's consolidation

of victory. Washington had long been aware of Japanese ambitions in the region and had intervened ineffectually on various occasions to try to limit Tokyo's reach. But the United States had never been concerned enough to devote the attention and resources necessary to circumscribe Japanese activities effectively, so in the 1920s and 1930s, when Japan stepped up its military maneuvers, the United States objected but did nothing.

Failing initially to stop reunification, the Japanese took more vigorous and decisive action in Manchuria in 1931, in the so-called Mukden Incident. Fabricating an attack on the South Manchuria Railway, Japanese troops marched into the area in force to undo the attempt of the local warlord Zhang Xueliang (Chang Hsueh-liang) to integrate China's three northeastern provinces into the newly created Republic of China. The rapid conquest of China's northeast followed with the establishment of a puppet regime called Manchukuo in 1932. Thereafter, Japan's troops launched repeated incursions onto the North China plain. Chiang Kai-shek hoped to avoid or at least delay war and made a series of concessions, but the Japanese were not satisfied. Ultimately, in the wake of the Luguoqiao (Marco Polo Bridge) Incident of July 1937, in which Japanese and Chinese forces exchanged fire, public pressure inside China forced the Guomindang to resist Japan.

Meanwhile, China's leaders had to confront the domestic insurgency by the Chinese Communist Party (CCP) as well. After establishment of the party in 1921, there had been attempts to unify and reform China through a "united front" between the Communists and the Guomindang. But at Shanghai in 1927, Chiang betrayed his erstwhile allies, fearing their growing power, and with the support of bankers, gangsters, and the foreign community, sought to eradicate communist organizers and the labor movement in the city. Thereafter the Guomindang waged a series of suppression campaigns that failed to eliminate the Communists but distracted Chiang from the more popular effort to counter the Japanese.

Finally, in 1934, Chiang managed to drive the Communists out of central China and temporarily isolated them in the far northwest. His success proved short-lived, however, because from Yan'an the CCP made contact with Zhang Xueliang and his refugee Manchurian troops who wanted to fight the Japanese rather than fellow Chinese. Together, in 1936, they kidnapped Chiang at Xi'an and forced him to suspend the civil conflict and focus national attention on Japan. As a result, when the Japanese assault occurred in July 1937, instead of taking his preferred and easy route of concession, Chiang resisted. War followed.

The United States and its representatives in China found their options severely limited in the face of these conflicts. Washington repeatedly refused to risk war against the Japanese to succor China. After the Mukden Incident, Secretary of State Henry Stimson ineffectually declared in his 1932 Stimson Doctrine that the United States would not recognize developments in Manchuria that would circumscribe American rights and interests there. Similarly, the United States took no clear position against Japanese encroachments in North China even after full-fledged war began. The United States continued to sell the Japanese war supplies such as oil, iron, and steel, and insisted on conducting trade with China under onerous treaty terms that compromised China's economy. When the United States entered the war, it did so not because of China's desperation, but because the Japanese had attacked Pearl Harbor. Wartime propaganda would suggest that the war was caused by Japanese aggression in China and the American determination to save the Chinese. In fact, Washington's real preoccupation centered upon the fate of Europe's colonial possessions in Asia whose resources helped fuel the anti-Nazi war effort, the continued fighting that British Commonwealth soldiers would do in the European theater, and prevention of a Japanese attack on the Soviet Union that could undermine the Eastern front against Hitler. After December 7, 1941, while Chiang's followers danced in the streets of his wartime capital Chongqing in relief that Washington would now defeat Japan for them, the U.S. military kept its focus on Europe. The Pacific War remained a secondary battlefront and only enough supplies and support went to Chiang to keep China in the war.

To improve the fighting capabilities and the morale of the Chinese national army, Roosevelt sent Chiang a special adviser who, the Americans anticipated, would train the troops and purge the incompetent officer corps. But the Americans did not understand that Chiang demanded loyalty above talent and did not want a military force that placed defeat of the Japanese above defense against his Communist rivals. Thus Chiang clashed almost immediately with the American representative, General Joseph Stilwell. Of course, it did not help that the abrasive Stilwell, known as "Vinegar Joe," took an early dislike to Chiang, who he called "the Peanut." Chiang was, after all, a head of state, and Roosevelt refused to confront him directly and risk the stability of his regime. Stilwell had to go. Thereafter, American strategic planners shifted away from the idea of using bases in China to defeat Japan to an island hopping strategy and then, finally, to dropping the atomic bomb to end the war.

American intervention on the political front proved no more successful. American officials urged Chiang Kai-shek to devote his attention to defeating the common enemy Japan rather than saving his best men and weapons for a postwar struggle with the CCP. To many Americans, communism remained a fearsome threat, but the world war made it essential to put aside ideological battles. If Washington could join with Joseph Stalin to fight the Nazis, then Chiang had little excuse not to work with Mao Zedong to vanquish the Japanese.

American diplomats based in Chongqing grew increasingly disillusioned with both Chiang's refusal to fight Japan wholeheartedly and the venality, inefficiency, and incompetence of the Guomindang regime. Increasingly they argued that contact with the Communist Chinese would allow for more effective prosecution of the war because Communist guerrillas ranged behind Japanese lines in large parts of the Chinese countryside, able to assist downed American pilots or cooperate in a final assault on the Japanese home islands. The United States dispatched an observer group to Yan'an (the Dixie Mission) in the summer of 1944 and decided that if Washington could broker an understanding between the Guomindang and the Communists, the war effort would be enhanced and China might avoid a return to civil conflict when the Pacific War ended.

To realize this effort Franklin Roosevelt embarked upon direct bargaining with the Soviet Union and sent General Patrick Hurley as his special representative to China. The president undertook his personal diplomacy at Yalta in February 1945, where he purchased Stalin's agreement to enter the Pacific War with economic and territorial concessions from China. In exchange, Stalin pledged to support Chiang Kai-shek's government instead of the CCP. Later, when the Yalta agreements became public, Roosevelt's Yalta legacy would be attacked as a betrayal of China, which it was, and a give-away to the Russians, which it was not because there was little American forces could have done to stop Soviet troops from advancing in Manchuria.[1]

The appointment of Hurley, a Republican and former secretary of war, to find a solution to the Chinese civil war despite his ignorance of Chinese affairs was indicative of Roosevelt's domestic political agenda and his fundamental indifference to China. Hurley negotiated with Mao and reached an agreement to integrate Communist forces into a national coalition that would grant the Communist Party legitimacy. Chiang, horrified by what the naive and uninformed Hurley had done, rejected the compromise. Hur-

ley's triumph undone, he sought targets for his frustration. Those he found among the Foreign Service officers stationed in Chongqing who had been critical of his activities and of Chiang's regime. Hurley denounced them as soft on the Communists and persuaded the State Department to remove them from China. This proved to be but the first in a series of accusations made against American diplomats for "losing China" to the Communists. Late in 1945, Hurley himself would resign in exhaustion from the effort to be both a mediator and an exponent of one side in the contest for power.[2]

In the final days of the war both the Guomindang and the Communists maneuvered to strengthen their positions for the new contest ahead. Chiang's government signed a treaty with Moscow that promised that Stalin would abandon the CCP in return for concessions of raw materials, ports, and railways to Soviet control in Xinjiang and Manchuria. Although the Chinese Communists were distraught and angry upon hearing of this betrayal, they had never been puppets of Moscow and their determination to win the looming civil war was not altered by Stalin's deal. Their energies were, at that very moment, focused on dispersal across northern China, where they intended to accept the surrender of Japanese troops despite international agreements designating Chiang's forces in that role. Although exhausted by the war just ended, Chinese of all political persuasions understood that the respite would be brief.

The abrupt end of the Pacific War in August 1945, when the United States dropped atomic bombs on Hiroshima and Nagasaki and the Soviet Union invaded Manchuria meant new priorities for Americans in China. The most pressing of these was to assist Chiang's Nationalist forces in reclaiming territory from the Japanese before the Chinese Communists could seize it. Americans also were concerned about the rehabilitation of a country devastated by the decade long depredations of a foreign conqueror, not to mention the earlier civil struggles among warlords and between the Nationalists and Communists. Above all, Washington wanted to avoid a new civil war.

To prevent resumption of fighting, Harry Truman sent a trusted World War II hero, General George Catlett Marshall, to mediate, replacing Patrick Hurley. Marshall had initial success, proving able to arrange a cease-fire and limited cooperation between government and Communist officials in January and February 1946. In this effort he worked with John Leighton Stuart, president of a leading American university in China, who he named ambassador, and a diverse group of Foreign Service officers who

hoped to avert conflict. It quickly became apparent to these Americans that neither side genuinely wanted to resolve the underlying problems and create an enduring coalition government. The Communists were somewhat more cooperative, recognizing that they needed a respite before they could mount a new offensive. The Nationalists, however, believed that they could capitalize on American support and press the advantage they had in numbers of soldiers and quality of equipment. Indeed, throughout the negotiations, American aid continued to flow into Nationalist coffers. As a result, Chiang ignored Marshall's advice and overextended his lines into Manchuria where, because of Soviet occupation, the Communists had the advantage. At the same time, he refused to compromise on any real power-sharing. Not surprisingly, the Communists concluded that Marshall's mediation was biased and that there would be no alternative to war. Marshall left China in frustration in 1947, condemning both sides.

By this time, full-scale warfare again engulfed China. What became apparent was that, although the Nationalists enjoyed superficial superiority in fighting capabilities, the Communists could call upon better military minds, more motivated troops, and greater popular support. Far faster than anyone, even Mao Zedong, imagined, Communist forces swept the Nationalists aside as they scored victory upon victory during 1948 and 1949.

Corrupt, inept, and brutish governance by the Guomindang contributed to making this rapid triumph possible. Rather than liberating the areas oppressed by Japanese forces, the Nationalists descended like locusts, plundering and terrorizing the population whom they dismissed as collaborators for remaining behind Japanese lines. Chiang neither carried out necessary reforms nor promoted competent officials, producing economic disarray illustrated most graphically in unbridled inflation.

American diplomats observed the military and economic decline and lamented the increasingly inevitable outcome. Even those critical of Chiang Kai-shek did not look forward to Communist control. Those who championed Chiang's cause, although unhappy with Truman administration policies, saw little hope for the Nationalists without massive American aid, including an unthinkable large-scale infusion of American armed forces. For the United States, that degree of involvement could not be justified, given China's fundamental unimportance to American national interests.

Also militating against intervention was the hope that Mao might not marry China to the Soviet Union. American officials hoped for Titoism in

China, meaning that Mao, like his Yugoslav Communist colleague, might wish to assert his autonomy and refuse Moscow's dictation. Signs of friction between Chinese and Russian communists had been noted in Washington and Secretary of State Dean Acheson made a point of emphasizing Soviet occupation of Chinese land and control of Chinese resources at every opportunity.

To explain what was happening in China and make the case that the United States could not have prevented the outcome, the Truman administration released the China White Paper in August 1949. This fifteen-hundred-page volume revealed embarrassing details about the ineptitude of Chiang's rule and attested to American generosity. In his letter of transmittal, moreover, Acheson underlined American regrets regarding the likely Communist victory and spoke of American hopes that in the future a democratic opposition would reemerge among the Chinese people.

The reaction to the White Paper illustrated the problems that the administration faced in crafting a China policy. Domestically, the document was attacked by disparate friends of Chiang Kai-shek, including members of Congress, journalists, and businessmen (usually identified as the China Lobby), which felt that Chiang had been betrayed by this revelation of confidential information and the devastating portrait of the Nationalists that it drew. Republican Party stalwarts, determined to embarrass Truman and terminate the Democratic hold upon the presidency, supported all the scurrilous China Lobby attacks. In China, the document was also assailed by Mao Zedong, who saw it as confirmation of American perfidy in trying to thwart Chinese aspirations for dignity, sovereignty, and socialism.

Mao had, in any case, already declared his intention to lean to the side of the Soviet Union in the international contest between the communist and capitalist camps in a June 1949 speech. On October 1, 1949, he mounted the gates of the imperial palace in Beijing and established the People's Republic of China. During the following weeks his armies erased the few remaining remnants of opposition on the mainland.

By then the real quarry had escaped to the island of Taiwan, a mere 100 miles off the coast but an irretrievable distance, given the Communists' lack of amphibious capabilities. Chiang Kai-shek had begun preparations for a retreat to the island sanctuary as early as 1946. He had asserted Guomindang control, precipitating a rebellion on February 28, 1947, in response to his harsh measures. The subsequent crackdown led to a massacre of the island elite. Thereafter, the sullen population could not be

counted upon to withstand a Communist assault or sabotage. Nevertheless, in 1949, Chiang sent the Nationalist regime's stocks of gold, crates of art treasures, and units of loyal troops to Taiwan, where he set up his own government dedicated to the idea of recapturing the mainland.

For Washington the unavoidable question became whether to continue diplomatic relations with Chiang Kai-shek's regime or recognize the new Chinese Communist authorities. Acheson had seriously contemplated the possibility of establishing relations with the Communists, keeping Stuart and part of the American embassy in Nanjing when Communist forces took the city in May 1949, even as the Soviet ambassador fled south with the Guomindang. Various modest gestures followed from Communist officials who believed that commercial relations with the Americans would be important in stabilizing the economy after the civil war ended. But neither the Chinese Communists nor the Americans were prepared to make any bold moves to overcome mutual suspicion. Moreover, the civil war created a volatile situation in which some Americans were attacked and beaten, or placed under house arrest, or charged with espionage. The most notorious instances were the Mukden hostage case of Angus Ward and the beating of a Shanghai consulate official William Olive.

The administration still tried to keep its options open. Acheson noted that the attacks on Americans had been few and relatively mild for a situation of revolutionary anarchy. The signing of the Sino-Soviet Treaty of Friendship in February 1950, although clearly demonstrating Mao's plans to align with Moscow, did not make trade relations impossible. Even the decision to close American diplomatic posts in China as a result of the requisition of American embassy facilities in Beijing was not seen as a final judgment. In fact, in January 1950, Harry Truman announced that the United States would not intervene further in the Chinese civil war and would not prevent Taiwan from falling to the Communists when they attacked. In December, Acheson had warned his diplomatic corps worldwide to prepare for the collapse of the Guomindang regime, and in January, he placed Taiwan and Korea outside the American defensive perimeter in Asia. American intelligence sources predicted that the Communists would attack and take over Taiwan in the summer of 1950. Acheson believed that it might then be possible to establish relations with Beijing after the November congressional elections.

Thus on June 25, 1950, American policy remained one of watchful waiting.

IMMEDIATE POSTWAR PERIOD

In the immediate aftermath of the war, various agencies, American and international, tried to provide assistance to a war-devastated China. But politics overwhelmed humanitarian consideration and little of the aid was distributed outside Guomindang-controlled areas. Moreover, continuing instability meant that help never graduated from crisis prevention and rehabilitation to construction and development.

HUMMEL: I was so enamored by China [even after the internment and living with the guerrillas] that I stayed on an extra year [after the end of the war], working for the United Nations relief program, UNRRA [United Nations Relief and Rehabilitation Administration]. I was doing survey trips, mostly into Chinese Communist areas, to find out what was needed for relief there. This was during the Civil War, the ceasefire mission, and the Marshall Mission. Of course, as it turned out, we never turned over practically any relief supplies to the Communists. It was all sent to help the Nationalists. This was one of the reasons why I became disgusted and went home. Not that I liked the Communists, but I didn't think that it was the right policy.

How was UNRRA run in China at that time?

HUMMEL: Headquarters was in Tianjin, about 60 or 70 miles east of Beijing and near the sea coast. They sent me to investigate reports that relief supplies were being stolen in a Nationalist-controlled area. They sent me into an area that was entirely flooded out, in southern Hubei Province. The Communists had breached the dikes and flooded the fields right up to the brick and mud walls of the county seat. The Nationalist government in Beijing was air-dropping huge gunny sacks of bread. They killed about four people and damaged quite a few houses with these bread sacks. However, they were sustaining life inside the city. I negotiated an agreement, which was promptly broken by the Communists, under which they would allow the purchase from outside of a certain amount of wheat and wheat products, cooking oil, and so on.

I went to OSS headquarters in Shanghai a couple of times and to see other people in Shanghai. It was quite obvious to me that the

Chiang Kai-shek, Madame Chiang, and Chiang Ching-kuo (the Generalissimo's son). *Courtesy of the Government Information Office, Taipei, Taiwan.*

Nationalists were messing up the situation in so many ways in their attitude. They treated the people not as liberated brothers, but as dastardly collaborators with the Japanese, quite unnecessarily alienating people and ripping them off, right and left. There was a lot of corruption.

What kind of attitude did you and your colleagues in the U.S. Navy group stationed in China have towards the Chiang government?

LACEY: We were by then rather down on the Chiang government. It was well known that, first and foremost, the country was saddled with impossible inflation. I can remember having a dinner in Shanghai where the four of us paid for a dinner that cost us seven million plus local currency. Inflation was so bad that people would carry money around in wheel barrows. In suitcases. Well, they would bag it up and carry it openly. That was one obvious sign of maladministration. But

the worst thing that we all felt—at least my colleagues and I felt—was that Chiang's generals were most interested in lining their own pockets. Chiang's senior minister of finance, T.V. Soong, was well known to have milked China dry. None of us felt very kindly toward the Soong clan, including Madame Chiang Kai-shek, who was a Soong girl.[3]

What about the Communists at that stage? What kind of attitude or knowledge did you have of the Chinese Communists?

LACEY: I may have had a better knowledge of the Chinese Communists than did the boys in Washington. Remember, Roosevelt's policies were still prevalent. The Yalta hangover enabled Stalin to send his own forces into the Far East before the war finally ended. It was a belated gesture to show that Stalin and Russia also had a stake in the treaty of peace in Japan. In the meantime, what actually was the case was the Russian Communist forces were commanding almost all of North China, and as they retreated, they turned over their arms and their territory not to Chiang Kai-shek but to Mao Zedong. I could see that going on right within the perimeter of Beijing.

SERVICE: The terrible thing was that the Yalta agreement was founded on such completely erroneous reasoning and assumptions. It was based on the idea that if we made a deal with Stalin, the Chinese Communists would very nicely and quietly go along with what Stalin told them to do, which was the exact opposite of what all of us in the field were busily reporting. Who advised Roosevelt and how he came to the idea is still a mystery. But it guaranteed the civil war, which was what we all had been working so hard to prevent. We knew a civil war would not only be a long, drawn out, disastrous civil war, but it would result in a Communist victory. I must say by this time some of us weren't sure that was a bad thing, but for American policy it was certainly a bad thing.

LACEY: At that time under Mao's leadership the Chinese Communist forces unquestionably were well disciplined. Unlike the Nationalist forces, the Chinese Communist troops would take over cities and towns, and instead of raping the women and looting precious stores, they would take off their shirts and work in the fields. It was a majestic example of how good propaganda can be a partner of diplomacy.

Along with motivating people, they inherited all of the five- and ten-year plans which the Chinese government under Chiang Kai-shek had been developing. I've heard from many different sources—they had blueprints of bridges to be built, of roadways to be repaired, of dams to be erected which fell into their hands. This was a primary reason why initially the Chinese Communists were so successful. They just put into place plans that had already been made.[4]

What was your impression of the Communists you dealt with at that time?

HUMMEL: Very straightforward, stern—not hostile but very military and very disciplined. They were also very tricky. Perhaps I shouldn't say that, as every human being is capable of deceit. In other words, they were capable of breaking their word. When people are told to break their word by higher authority, that's what they do. But I was impressed with them. They were businesslike.

CLOUGH: In the beginning, when I was in Chongqing, I would say the prevailing view in the embassy was that if we could not work out a coalition agreement (and people were rather pessimistic that we could) between the Nationalists and the Communists, then China was in for a long period of civil war. Very long. People did not think the Nationalists could be defeated. On the other hand, they didn't think that they could defeat the Communists, and therefore it would drag on and on. No one, in 1945 or '46, would have predicted that by 1949 these huge Nationalists armies with all their equipment and so on, so much superior in material terms to the Communists, would be reeling back in total defeat.

LACEY: Chiang Kai-shek's soldiers and generals were vainly trying to hold ground. Against the advice of General George Marshall, who was sent to China as a presidential advisor, the Nationalist forces went into Manchuria and tried to regain that territory.

DRUMRIGHT: The Chinese Government actually made a big mistake in sending their main forces into Manchuria to try to seize it from the Chinese Communists, who were being put in place there by the Soviet Russians, and handed over all the Japanese military equipment that had been left there. This did not succeed, with the result that the [Nationalist] Chinese suffered some serious military defeats there. This led, eventually, to their being driven off the mainland.

MARSHALL MISSION

Americans were determined to settle the conflict between the Nationalists and Communists through negotiation, averting more bloodshed. Part of the impetus was to repatriate Japanese soldiers quickly to prevent conditions in which the Soviets could extend their influence in China. Marshall's initial orders were that if the Communists would compromise and the Nationalists proved recalcitrant, he should threaten Chiang Kai-shek with an end to American aid. However, neither the president nor his secretary of state, James F. Byrnes (1945–1946) were comfortable with those instructions. Before Marshall left Washington they backtracked and told him that, in fact, no matter how stubborn Chiang became, Washington would stick with him. In the field, Marshall found little maneuvering room. The Chinese Communist Party made repeated concessions, but remained suspicious. Chiang simply wouldn't cooperate. Marshall continued to try, enlisting John Leighton Stuart to use his connections in both Chinese camps to resolve problems, but civil war resumed.

CLOUGH: The first change was the employment of General Marshall, who came in December of '45 as a result of Truman's decision for the United States to mediate between the Communists and the Nationalists and try to work out some sort of coalition government. It wasn't a normal period. Our own Air Force was engaged in transferring Nationalist troops across Communist-held areas into Beijing, Tianjin, into Manchuria. There was a unit of U.S. Marines stationed in Beijing and in Tianjin also, and they were responsible for the safety of that rail line, which was attacked by the Communists from time to time.

There were these negotiations going on at the top level. Zhou Enlai with Chiang Kai-shek. They had this elaborate Executive Headquarters set up in Beijing, with a large number of field grade officers whose job was to go out in groups of three—American, Nationalist, Communist—and check on reports of clashes between Nationalist and Communist forces.

We had particular contacts, as usually happens, with the Chinese who thought like we did about democracy in China, people in the Democratic League.[5] We had contacts with the Communists as well. Zhou Enlai had an office in Chongqing. The embassy moved down from Chongqing to Nanjing in early '46.

[Political Officers] were generally rather pessimistic about the way things were going, The war was continuing sporadically here and there. The Executive Headquarters system had not successfully created a cease-fire. Both sides were throwing accusations at each other.

DRUMRIGHT: Now I was on the China Desk at the time, and I took the position that trying to work out a compromise between those two groups was futile. It would not work and it would probably redound to the disadvantage of the government. My position was that we should assist the government in reclaiming all of occupied China, including Manchuria. But we chose to send the Marshall Mission out with the objective of getting a settlement between the Chinese government of Chiang Kai-shek and the Chinese Communists. General Marshall worked hard on that for about a year out there. He met and was charmed by Leighton Stuart. We had not had an ambassador out there during that critical time after the departure of Pat Hurley. Marshall had been very much impressed with Stuart, and his background, and his talk about China. And he, therefore, recommended that Stuart be appointed ambassador. Stuart went to Nanjing, took over the embassy, and there he worked with Marshall. And as I said, they worked hard to try to achieve a settlement. I think Stuart, in his own mind, felt that it was not very likely that one could be achieved, but he went along with it. But it failed.[6]

Did Marshall have much to do with the embassy?

MELBY: He had nothing to do with the embassy. Literally. We were around, and we briefed him from time to time. Initially, of course, we did a great deal more than we did later on. After he got to know his way around, he really had nothing to do with us at all.

CLOUGH: Walter Robertson was the chargé d'affaires when I arrived. He had been in Chongqing as economic counselor. He was a former Richmond banker. When General Hurley left, he became chargé, and was chargé for several months until General Marshall arrived. I remember Robertson saying, when he read the instructions about the U.S. function in mediating and trying to set up a coalition government, "Well, we have a variety of means by which we can put pressure on the GMD, but I don't see any way we can put pressure on the Communists." So he was rather pessimistic about the future, although he worked at it. He was

named by General Marshall as director of the Executive Headquarters in Beijing, later on when the operation moved up there. He tended to blame the Communists more than the Nationalists when negotiations broke down.

HUMMEL: Walter Robertson was the civilian deputy to General George Marshall at Ceasefire Headquarters in Beijing. Robertson asked me, first off, to give my views on the prospects for getting the Chinese Communists and Nationalists together in a coalition arrangement in North China to avert a civil war. I said that there was virtually no prospect of success. I had seen both sides. There was too much mutual hatred. It was hard for me to imagine that they could ever work together. If they ever did work together, temporarily, they would split apart again. I said that both sides had strong reasons for wanting to break any agreements, if they could get some territorial advantage out of it. I don't think that I even got that far, when Robertson jumped up from the breakfast table—there were just the two of us—and stomped around the room, berating me for my lack of patriotism! He said that they were going to make a coalition government work and that I shouldn't say that it wouldn't function.

Robertson, of course, became assistant secretary of state for Far Eastern Affairs during the Eisenhower administration. He was a great supporter of Chiang Kai-shek.

HUMMEL: He was part of what people loosely called, "The China Lobby."

Who was the new ambassador? How did he operate?

MELBY: John Leighton Stuart. He'd been a missionary in China for 50 years. The last 20 or 25 years, he'd been president of Yenching University, which was one of the model universities of China. General Marshall asked him to be ambassador because most of the leaders, prominent people, not only the Guomindang, but the Communists, too, had all been students of his. And considering the special Chinese relationship between teacher and student, the general thought that perhaps Dr. Stuart could persuade the Chinese to sit down and talk to each other, and maybe this way you could work out their differences.

And Dr. Stuart agreed with him. He thought it was worth the

chance. So he took the job. He didn't know anything about American foreign policy. He couldn't care less! He was interested in China. He wanted to see the fighting, civil war ended in China. It just killed him to see what the Chinese were doing to each other. He never moved into the chancery. He never had an office there [even though all the] telegrams or dispatches were always signed by the ambassador. But that was the way the embassy worked. That didn't mean he'd seen it, let alone read it. All that was done in the chancery. Sometimes our initials would be on it, and sometimes [they] wouldn't. But it all looked as though it was Dr. Stuart. [That explains why in the historical record] Dr. Stuart's views don't seem to be consistent, about China and so on.

What was Leighton Stuart like as an ambassador?

BACON: He had been appointed, not because of any diplomatic skills really. He was very well liked by the Chinese, he was born in Hankou. Many of the leading figures—not the top figures—but many of the non-military figures had been former students of his, and he believed that he had a gateway to the communist government through them, that he could, if not get things done, at least find out what was going on and what they were thinking. This turned out to be a considerable mistake.

CLOUGH: For example, the head of the Alien Affairs Office in Nanjing City was a man named Huang Hua, who had been a student of Leighton Stuart at Yenching University and then gone over to the Communists and worked his way up in the ranks. He had meetings with Huang Hua on several occasions.[7]

Did you have much contact at that time with the Guomindang government?

MELBY: Oh, sure. Continually. Day to day. As a matter of fact, Dr. Stuart's Chinese secretary, who had been with him for many, many years, Philip Fugh, was very close to Chiang Kai-shek. This was one reason that we didn't encourage the old gentleman to go around the chancery, because we knew that the minute Dr. Stuart got a telegram, he would show it to Philip. And the first thing Philip would do would be to read it, and then call for a car and go over to Chiang Kai-shek's office and show it to him!

The world's worst security leak was going on, and Marshall knew it and [W. Walton] Butterworth [minister-counselor at the embassy] knew

it. In order to protect ourselves, insofar as we could, we just simply got where we didn't show the old gentleman any telegrams. Or Walt would take the telegrams over to him and let him read them, and then he'd take them back. He wouldn't leave them with him. Dr. Stuart knew why he was doing it and was kind of amused by it.

What contacts were there with the Communist Chinese?

MELBY: The Communists had had an office in Chongqing and one in Nanjing. We all used to see them quite regularly. I knew Zhou Enlai very well. He was the head of the Communist office. They were quite open, frankly. No problem. It was easier to talk with them than with the Nationalists. You knew the Nationalists were lying most of the time. The communists never lied.

Marshall left in January '47. Marshall issued a statement of a "plague on both your houses," and came back to the U.S.[8] Later [in January], he was appointed secretary of state. The summer of '47, Chiang Kai-shek outlawed the Communist Party. All their offices in Nationalist China closed. From then on, we had no contact whatsoever.

CIVIL WAR

When efforts at mediation failed, Americans found themselves in the midst of renewed civil war. The U.S. government funneled some $2 billion in aid to the Guomindang, much of which was squandered. Chiang did not carry out requisite reforms and increasingly lost the loyalty of his troops, who were ineptly led, poorly paid, and brutally treated.[9] As is evident from their commentary here, Americans sought to influence values and institutions to combat the growing influence of the Communists. But, amidst the inflation, corruption, and renewed fighting, they lost hope.

CLOUGH: [As a language student in 1946 and 1947 in Beijing, I] spent time with students at the universities. Generally speaking, the students were very critical of the GMD. They were also critical of the United States. There was a famous case of an alleged rape of a Chinese student by an American Marine, and that occupied the newspapers for quite a while.[10] There was a widespread feeling among the students that the United

States and the GMD were in the wrong, and that we were not really backing democracy.

The Communists had considerable appeal. They were seen as more upright, less corrupt. And they had this vision for the future: a peoples' China that would not be at the service of the compradors[11] and the rich people, the Kungs and the Soongs.

MARTIN: I did a thing which none of my language officer colleagues did that gave me a rather interesting entree into Peking University.[12] I audited a course taught in Chinese. It was a course in diplomatic history, really—Chinese relations with foreign governments. It was an eye-opener to me, because it was obviously from the Chinese point of view, and none of the stuff I had read before was from the Chinese point of view.

But perhaps the main value of this to me was that as a student who sat there at a desk with other students, all of whom were Chinese, and I was a little older than most of them but not that much older, I had a chance to become acquainted with a number of Chinese students. I visited them in their dormitories and had some over to the house. My wife was born and brought up in China, and her Chinese accent is beautiful, so that was a great help in talking to people. Certainly the strong impression I had of the Chinese students was that as far as the Guomindang was concerned, it was just beyond the pale; there was no hope for it really. This was due, in part, to the fact that the economic situation was very bad, and they had very poor prospects for getting jobs. On the other hand, a number of the students actually left the university and went over the hill to the Communists, where they got some sort of a job. I used to have arguments with these people. Of course, they were very critical of American policy, which was seen as supportive of the Guomindang. We used to have arguments about that and whether American democracy and the capitalist system was applicable to China. They generally felt that it wasn't, that socialism was the only way for China to go. As far as I could tell, the students that I knew and talked to on a very friendly basis were not doctrinaire Marxists; in fact, they were fairly illiterate, as far as Marxist literature was concerned, but they looked at it from a point of view of nationalism. To them, the Communists represented Chinese nationalism more than the Nationalists. They also represented what they felt was a hope for the future; but the idea that China would be independent, stand up and be a power in the world was

the main attraction, and they felt the Communists offered that more than the Nationalists did at that particular time. Their view was, it seemed to me, very nationalistic. In terms of their own future, they felt that the Communists offered them, as young people, a future, whereas the Guomindang offered them no jobs, depression, and an appearance of weakness, corruption, and really sort of doing the bidding of the United States.

WILSON: I'll give an example of how the Communists were operating. Their cells in the universities and the schools were a very important part of their apparatus. Students held innumerable strikes and demonstrations, demanding the Nationalist government to stop fighting the Communists, for example. But in 1948, they shifted their line and began to demonstrate against American imperialism, alleging that we were rearming Japan for reconquest of China. This propaganda campaign started one night at the American School, where my daughter, April, was a student. We went there for a program depicting the birth of the United Nations. The school had 50 nationalities, so they had a lot of native costumes. Just as the program started, a grotesque figure suddenly appeared on the stage as Uncle Sam, wearing a suit covered with dollar signs. Then another figure came on the stage dressed in a baggy Japanese Army officer's uniform, carrying a large bag covered with dollar signs. It took only a moment. Uncle Sam put an affectionate arm around the servile Japanese, while slipping him dollars. A third figure dressed as a Chinese peasant armed with a stick dashed out and drove Uncle Sam back in confusion. Then someone pulled the light switch.

In the various universities, suddenly there was an exhibit of photographs. At Episcopal St. John's University in Shanghai, one of the best, there was one on the theme of America imperialism rearming Japan. University authorities ordered the exhibit removed. Demonstrations broke out there and at universities across the country, carefully orchestrated, spreading like a prairie fire. The students were able, at St. John's, to force the resignation of the president of the university. These demonstrations peaked in Shanghai with a gigantic anti-American parade. Americans were told to stay off the streets.

From the perspective of our embassy in Nanjing from '47 to '50, what was the situation?

CLOUGH: We were looking for rays of light, I suppose, in this gloom that surrounded the political situation. The negotiations were not progressing.

MELBY: [In the Embassy in Nanjing] they saw the situation and said, "It's hopeless." All the career officers, without exception, agreed that the Communists were going to win. Didn't mean they looked on it with any great favor. On the other hand, they just thought the Nationalists were hopeless. They were corrupt beyond measure. They were going to get worse.[13]

CLOUGH: And this was the worst period of inflation. People were scrambling to try to make ends meet. I can recall how the embassy had to send a truck to the bank to get a truckload of currency. Each of us got an allowance of local currency, as part of our salary, in order to pay our servants and to buy things that we needed on the local market. We'd line up at the accounting office in the embassy and each of us would get a mail sack full of bundles of notes.

I understand at that period of time nobody bothered to unbundle notes.

CLOUGH: That's right. I don't know how many million each bundle stood for. But I'd take my sack back to the house, and I would pass out the appropriate amount to each of the servants, and they would rush off to the market to buy something before the currency lost any more of its value. They'd try to turn it promptly into rice or cloth or gold coins.

BACON: Inflation was enormous. The consulate had difficulty getting the money out to pay the staff every week. At one time the plane from Shanghai, which carried the money, failed to arrive and the Hankou police didn't get paid. What they did was to take direct action, which didn't get them any money either, but they went to the branch of the Bank of China and demolished it. They simply tore it down, leveled it to the ground. There was almost no support for the Guomindang except as something that might stave off the Communists for a while. But in the course of the year even that changed, where people looked forward to the arrival of Communists as putting an end to an almost impossible life that they were leading.

CLOUGH: Now the political situation was simply going from bad to worse, because in the middle of '46, the civil war broke out in full scale. The Nationalists, at first, made an advance. They captured Yan'an up in

Shaanxi Province. They seemed to be making progress, but it was an illusion, because they had disregarded Marshall's advice about Manchuria. He had felt that they couldn't maintain themselves in Manchuria. They had Shenyang and Changchun, several cities, but the countryside was mostly controlled by the Communists. He felt they simply couldn't keep their supply lines open, which turned out to be the case. Gradually they lost the battle for Manchuria and then the battle for North China.[14] But we could see it coming, you know. We'd go into the embassy and our Military Attaché would put a map up and give us a briefing on the latest military situation. Any layman could see it was going badly for the Nationalists.

Were we making any effort that you know of to make contact with the democratic groups?

CLOUGH: Oh, yes, we had contact with those people all along. But as always happens in a situation when you have two strong antagonists fighting each other, the people in the middle tend to be very small in number and very weak. They wanted something which the Americans approved of very much, they wanted some democratic, peaceful arrangement. But the two sides who held the power weren't interested in what these people were peddling. They wanted their own views to prevail.

VAN OSS: In 1948, in Shanghai, I was the main liaison with what they called the Third Force. They were the liberal non-Communist Chinese who we hoped would be friendly to us and a bridge between what we thought even then certainly would become a Communist government and the United States. There was one fellow, Carson Chang, for example, who was the chairman of one of these third parties. He was an old man, a scholar. I remember his house was just filled with books. The rooms were like the stacks in a library. You had to weave your way between shelves of books. I used to go to see him and get his views on what was happening.[15] There was another liberal leader, Lo Longji, who had tuberculosis. We were keeping him alive by sending him antibiotics. He was kept under detention by the Nationalist government in a hospital, and we would visit him from time to time to deliver the antibiotics and find out what was going on with him.

MARTIN: The so-called Third Force people there around the universities

tended to be fairly optimistic about the possibility of doing business [with the Communists] or setting up some sort of a coalition government.

Did you have the impression that the group that you worked with or the official staff there in Beijing placed much confidence with the Third Force groups?

MARTIN: I would say that we had more faith in them—that's a strong word, faith. We had more hope about the possibility of some sort of a coalition with these chaps than was justified by subsequent events.

Could you describe how the embassy was reacting to this civil war that was moving, seemingly slowly, but in an unstoppable way, towards Nanjing?

MELBY: Fatalism. "It's coming." It just felt like the grave-watchers, watching the whole civilization, two thousand years of history going down the drain.

You reported it as you saw it? Nobody was saying, "These reports aren't going very well"?

MELBY: We knew they weren't going over very well, but we did it, anyway. We recorded what we saw, and the people to whom we were reporting had, at one time, been in the embassy and knew as much about China as anyone.

Were there any repercussions from bad reports about the situation with Chiang Kai-shek or his officials saying, "What do you mean, reporting that we're corrupt?"

MELBY: The Nationalists didn't do that, because they knew that what we were reporting was the truth. And in a sense, they didn't care. The way the corruption was going, it was every man for himself, anyway.

MARTIN: My first post in China as a reporting officer, was in Hankou, now part of Wuhan. Hankou is on the Yangzi River, about 600 miles up the river. There I had sort of a grassroots view of what was going on in China. The consular district consisted of five provinces in Central China. They had a population of about 100 million people. To put

things in perspective, how many countries in the world in 1948–49 had a population of 100 million? But this was just part of China. I was the only political reporting officer covering that territory.

I might say that in China political reporting from the consulates was more important than in most countries, because it was a country where power had been in the hands of warlords and of regional political factions. Even as late as 1948, when I went to Hankou, there was a faction in control of Central China—not in control of it, but it was very important there, namely the Guangxi clique, sometimes called the Li-Bai clique, lead by Li Zongren and Bai Chongxi. Bai and Li, of course, were not the best of friends with Chiang Kai-shek, and we had the feeling that Chiang was often reluctant to call on Bai for support.[16]

How did you view Madame Chiang Kai-shek?

MELBY: I didn't take quite as dim a view of her as a lot of people did. I felt kind of sorry for her. I didn't know her at all well. She belonged to two worlds. She had been educated in the States, southern-belle type. Chinese didn't trust her, because they thought she was too westernized. Westerners thought she was still too Chinese. She really didn't have many friends. She had a few old Chinese missionary ladies—biddies—who used to come around to tea. But otherwise, she was pretty isolated.

However, the GIMO [Generalissimo Chiang Kai-shek] did trust her, in the sense that he relied on her as interpreter. He didn't speak a word of English. He didn't even speak Mandarin, for that matter. He had to conduct cabinet meetings with an interpreter, because his dialect was Fujian [actually Zhejiang], which is a hillbilly dialect, if there ever was one! But she was very useful to him, that way. I know that General Marshall thought that the GIMO really relied on her a great deal. And he, too—although he didn't much like her—in a way, felt kind of sorry for her. Even though he was a fairly austere kind of person, he softened up a bit with her. She didn't fool him. She was an impossible woman. Very demanding, like all the Soongs. The whole clan were like that. But she was a very beautiful woman. Very interesting to see her. When she was with Chinese, she was the demure Chinese lady, with the high dressed neck, and flat-chested, and so on. When she was with Westerners, she suddenly was all full-bosomed and so on, and her skirts were slit up to her hip. She had very good-looking legs, too. She was very adept

at using her feminine wiles. The only one who was never affected by her, was General [Albert C.] Wedemeyer [who succeeded Joseph Stilwell as Chiang's chief of staff]. He really didn't like her.

LUTKINS: It wasn't so much that we were hostile to or critical of the national government, the Guomindang government. They faced extraordinarily difficult problems. The war had weakened them badly. It forced them into the interior, where they lost their foundation with western middle-class roots and were forced back into the old China, depending on warlordism. Inflation was rampant, which again was not by any means entirely their fault; it was just a wartime situation. The bottom line to all this was that the regime was very obviously weak, it lacked control over much of the country. There was the usual traditional Chinese corruption, both in the military and in the civil government. The regime really lacked the ability to do anything effective economically on behalf of either the middle class, to which it really owed most of its support, or to the peasantry around the country.

And then, contrasted with this, you had the Communists under Mao Zedong who, whatever their methods, seemed to have a real conviction and spirit, and to be, at that time at least, fairly self-sacrificing in making efforts to do something on behalf of the people and not merely being interested in enriching themselves. So one couldn't help be rather skeptical of the claims of the national government that it was reasserting its control, and also a little pessimistic as to how things were going to go.

BACON: Our government was slow in fulfilling its undertakings [regarding aid to the Nationalists]. I'm not so sure that it would have made any difference at all anyway. The cash did come, but very little of it ever got out of the hands of the Chinese hierarchy. Much of what we sent was never used, much that was used was either wasted or simply lost and abandoned to the Communists as the Communists came forward. The people we thought we could rely upon would give us assurances without having any intention of carrying them out. There was a general feeling of despair really, that since the whole thing was going down the chute, the best thing to do was to look after yourself and your family. Generally in China it's true the family does come first. Your first loyalty is to your family, your parents, and your descendants.

In addition to the political struggle, there was also a cultural struggle going on in China in the 1940s.

WILSON: In 1947, we still had USIS [United States Information Service] offices in Nanjing, Peking, Mukden, Chongqing, Hankou, Guangzhou, and Taipei. The Associated Press was servicing less than 30 percent of the estimated 600 daily newspapers in China and the United Press reached about 70 percent [most of which] were concentrated in the Shanghai-Nanjing area. Of course, the Guomindang Central News Agency subscribed to AP, but through quite a filter. USIS was trying to take up the slack.

We also had a Chinese newsletter, made up of reprints of American magazine articles. The press section put this out periodically. I thought it very unappealing, so I brightened it up, gave it a cover, made it like a magazine, with line drawings and so on. We began to reach 13,000 schools, universities, selected groups, and 75 percent of that material was reprinted.

In Shanghai, fourth largest city in the world, there was only one free library, and that was ours. It had American books and magazines available for free loan. Of course, we had libraries in various branch posts. Also, we had a grant from the American Library Association of $100,000 to buy books for Chinese libraries and universities. The first Fulbright Agreement was signed with China, the first in the world. They had $20 million to send American teachers and students to that country, and Chinese to our country.

During the war, the Office of War Information [OWI] sent to Chongqing, among other things, high-speed leaflet presses. One of these later came to USIS in Shanghai. We had a lot of press capacity left over. So the thought occurred to me, why not make posters, with captions in English and Chinese, [with] some relevancy to Chinese problems. The first exhibit was about American elections and voting in a democracy. China had adopted its first constitution in five thousand years. They were about to hold their first national election. So I got an OWI booklet, and we copied the excellent drawings and diagrams on the American system. We began to reach more millions of people. These posters were being put up all over the country.

MCCARTHY: In the presidential election in 1948, Dewey versus Truman, the Nationalists, who still held on very tenuously to Peking, saw the handwriting on the wall if the Democrats continued in office. So to a man, they were all pulling very vigorously for Tom Dewey. USIS had a big election chart on the outer wall of our premises in Peking to chart the returns as they came in over the Voice of America. The crowd was

so big that it eventually blocked traffic on the street outside. Most of the crowd was composed of university students, Nationalist military officers, and government officials who all had a personal stake in the selection. They cheered at the early returns which showed Dewey in the lead, and they were very much crestfallen when Harry Truman eventually turned out to be the winner.

The military situation for the GMD deteriorated sharply in the last months of 1948, as the battle for Manchuria turned against them. That was followed closely by disastrous losses in Central China. At what point did the U.S. embassy and consulate officers decide to evacuate Americans?

MELBY: We had a lot of trouble in Shanghai. The mobs got out of control. We evacuated people. We were under a lot of pressure from the GIMO. "Please don't evacuate! Don't do it, because it will just give the advantage to the Communists." Finally, it got to the point, in October 1948, where I just had to make the decision, "Look, I'm sorry, but we've got to do it." We warned Americans, private citizens, to get out. Which meant mostly missionaries. Most of the business community had left. As usual, missionaries didn't do it. They never want to go. And then they get into trouble, and start yelling because the embassy doesn't get them out of trouble.[17]

HOLLOWAY: You have to distinguish in the missionary movement between the headquarters group, let's say, in Shanghai, and the missionaries out in the field. They were two different breeds of cats. The missionaries in Shanghai, the headquarters, were pretty sophisticated, politically astute people, who were well aware of the power they had behind them in Washington. The missionaries in the field tended to be good-hearted, somewhat naive, but certainly men of good will. I talked to a lot of them when they came into Shanghai, after they lost their churches and the Chinese had turned on them. They were quite shocked. I remember one doctor saying he was going back [to the United States] and go to work for the UMW, the United Mine Workers. They needed doctors. "I'll treat Americans now. I won't treat any more Chinese." There was a profound disillusionment. The Catholics were a little different. I knew Bishop Walsh, who, of course, stayed for twenty-one years.

Yes. In jail, mostly.[18]

HOLLOWAY: They had no families, of course, and they looked upon it as just a cross to bear, if I could put it that way.

MELBY: What finally decided me [about calling for evacuation] was we weren't getting very good information out of Manchuria. I decided to go up to Mukden again and have a look at it myself. I was going up with Dave Barrett, who was assistant military attaché. The planes started shuttling in from Mukden, unloading. Dave Barrett just looked at them and said, "John, I don't have to go to Mukden. When the generals start to evacuate the gold bars and concubines, the flap is on."

I got there, and it was clear that Mukden was going to fall. And once Manchuria was gone, then you knew that all China was gone. Traditionally, he who controls Manchuria, controls China. It's always been the case. I got out on one of the last planes out of Mukden. I went right back to Nanjing and issued the evacuation order: "Get the people out and get them out fast."

VAN OSS: Mind you, I don't want to go into all the business of whether the Communists would win or lose, because this was much more of an issue at home in the U.S. than it was in China. Over there there was no question about the fact that the Communists were winning. The arms and materials we were sending to support the Nationalists were being wasted. They were given to troops which eventually surrendered with all their weapons, so the Communists probably had more of our stuff than the Nationalists had.

So it was quite evident from the time I arrived that it was just a question of a few months. It wasn't just I who felt that way. It was evident to all of us, including the consul general. Of course we had to be a little careful how we expressed this view, because there was a very powerful China lobby at home and a number of U.S. Congressmen were very much interested and very strong supporters of Chiang Kai-shek and the Nationalists. We couldn't just make it appear that we were selling him short. So we couldn't report as frankly as I am talking to you, although we found ways of expressing our views.

What was the feeling in Washington at the time about the Communists and the Nationalists—who was going to win, what American interests were?

WALTER JENKINS: We were not all of one mind, but as these dispatches came in from the China posts, we began to see the Nationalist side dis-

integrating and contemplated what could be done about it. For instance, on the military side, Chiang had taken away command of 10 divisions—American-equipped and trained in China during World War II—from Sun Liren, who was a VMI [Virginia Military Institute] graduate but just too objective—and gave the troops and command to Fu Zuoyi, who had been a warlord. Fu eventually defected, with the 10 divisions, to the Communists. And then you began to see warlord cliques develop and split off. One was the Guangxi Clique, led by Li Zongren, who was vice president to Chiang Kai-shek at the time. And you got a feeling from the reporting that the Guangxi Clique was trying to join hands with Fu Zuoyi and Governor Long Yun of Yunnan to provide an alternative to Chiang.

And so you could see three alternatives, at least I could, and you could see people thinking about them. Should there be a support of alternative groupings the Guangxi Clique and other factions? "Look, the Chinese Communists are obviously winning." Others would say, "Why not establish contact with them, establish diplomatic relations, and wean them away from the worldwide, monolithic communist movement?" And then you had the viewpoint, represented by the China Lobby, "Follow through with Chiang to the very end, even though he had retired to Taiwan, and someday we'll return to the mainland," which became the slogan.

CHINA LOBBY

As the fortunes of Chiang Kai-shek declined in China, pro-Chiang interests in the United States pressed harder for increased aid to the Guomindang. The motives of this China Lobby were mixed. There were those who cared about building a democratic China, and others who had lucrative business investments at stake. However, they all agreed that the Truman administration had not done enough and was losing China. Among the main targets of such criticism were American diplomats whose support for Chiang did not appear sufficiently strong or unquestioning.

CLOUGH: Those of us who were in the embassy and in touch with our American military were strongly opposed to getting any more deeply involved. General Wedemeyer was sent out on a mission to tour China

[in 1947] and see what might be done. He went with Phil Sprouse, who was the director for Chinese affairs at the time. The Wedemeyer report was so negative to the Nationalists that it was not published for a considerable period of time. It became one of the political footballs back here in the United States. Wedemeyer's judgment was that it would have required an enormous investment of American military to maintain the Nationalists in China. And in the opinion of those of us in the embassy, it was not worth it. We couldn't support this collapsing structure.[19]

I recall one occasion when Congressman Walter Judd came out. We had an evening session with Judd, and he kept saying "What can we do? What can we do?" And none of the embassy officers had any very good ideas. It was a gloomy session, and I think he came away with the feeling that those China specialists in Nanjing are not much good, they can't think of any useful things for the United States to do at this critical point. Of course he was a missionary in China for years and years.

He was a missionary and then a very influential congressman on China issues.

CLOUGH: He was a very strong pro-Nationalist, along with Senator [William] Knowland from California. Those two were the outstanding ones.[20]

Could you describe your impression of Henry Luce? He too was a powerful figure trying to shape China policy as a publisher of Time *and* Life *magazines.*

MELBY: I had only met him once on the street in Nanjing. He was headed in to see Dr. Stuart. He stopped me—he knew who I was—and we talked about China. He was giving me a pathetic lament. I believe he said, "Those of you who criticize people like me for our stand in support of the Nationalists, you've got to remember that we were born here. This is all we've ever known. We had made a lifetime commitment to the advancement of Christianity in China. And now you're attacking us for it. You're asking us to say that all our lives have been wasted; they've been futile. They've been lived for nothing."

Henry Luce was a very troubled man. I think he was beginning to have real doubts—this was in the fall of 1947—as to what had happened in China, and had he been wrong after all. Particularly he had them

when he was in China. He'd go back to New York and he'd revert back to the old China Lobby syndrome.[21]

Did any of the members of the conservative wing of the Republican Party come and visit during this period? Or was their criticism pretty much limited to being back in Washington?

MELBY: No, they used to come out. In the summer of 1947, we had some 40 or 50 congressmen who came out. Walter Judd was always dropping in.

Did you get any feel for this battle back in the States?

HOLLOWAY: No. We saw very few newspapers. The English-language papers in China were very careful about what they printed. We relied on the Voice of America and the BBC. But we didn't have any idea about the virulence of the China Lobby fight. The Republicans, having lost the '48 election, decided to win the Chinese revolution instead. There was tremendous pressure on the administration to do something to save the Chinese Nationalists.

WARD INCIDENT

Believing that the American consulate general in Mukden operated a spy ring in Manchuria, the Chinese Communists placed Consul General Angus Ward and his staff under house arrest in November 1948. They remained in detention until November 1949, when the Communists put Ward on trial, found him guilty, and expelled him from China. During the tense months of imprisonment, officials in Washington thought about taking military action to free Ward but hesitated to take such a risk. In fact, although hotly denied at the time, the Mukden consulate *was* the center of an espionage operation.

STOKES: Mukden turned out to be everything that I had hoped for in terms of strife and struggle. In the period immediately following VJ Day and the Japanese surrender, when I arrived, the civil war was in full tilt. The Chinese armies were the American-trained crack armies from the Burma road, the Stilwell trainees, and American equipped armies,

and the Chinese Communists were not yet fully understood to be as redoubtable as they later proved to be. As our staff dwindled, I was really the right hand, or in effect if the consulate has a deputy chief of mission [DCM] to Angus Ward.

So the consulate was the only official American presence.

STOKES: Yes, except for this shadowy External Survey Detachment [ESD], which was we can all guess what it was.[22] In any case, Secretary Acheson had wanted to seek a modis vivendi or explore the possibilities of a modis vivendi with the Chinese Communists. So we were all secretly asked if we wanted to volunteer to remain behind in case the city should fall to the Communists. And I volunteered.

ERICKSON: The Communists came in on the first of November. We were very apprehensive. [The Nationalist Army had] just evaporated. They were nowhere to be seen. We went up to the roof of the consulate and watched the Communists start taking over the communications building, which was about two blocks down. Then they came up to our area. I remember there was an old lady that they just shot and went right on. They saw us looking over the top of the building and they started shooting at us.

STOKES: In pursuit of our instructions from the secretary to try to make an opening to the Communist authorities as soon as the hubbub died down, I telephoned, and to my astonishment they accepted the offer of the consul general to call on the mayor. When the consul general and I arrived there, we were ushered into a waiting room and we saw on the couch opposite us the head of the Soviet Trade Commission and his deputy, who was the senior Soviet official there. There were a lot of cigarette butts around, showing that they'd been there a long time. Well, the door opened to the mayor's office, and the Russians all stood up, and the man in the mayor's office walked right by them as though they didn't exist. I could hardly look at the Russians as I went by because they'd have spit nails if they could have. The mayor said yes, we are interested in a reasonable, mutually respectful relationship. We have to rebuild this country, most of the equipment is Japanese, you are occupying Japan. The reality is we need to get along. So the consul general pressed his luck and talked about a diplomatic courier, and talked about the rights of American businessmen, and there was a reasonable response to all of

this. So when we came back to the consulate we could hardly contain our euphoria. We sent off reports of just exactly what had been said. Then the phone rang. To my astonishment the mayor wanted to pay a return call on the consulate. And he did come. The conversation continued. The next day, we wanted local currency, so I went down to the central bank and asked to speak to the new head to the central bank. He gave us more of the economic reasons for collaboration and promised to expedite our reasonable needs.

So when we went back to the consulate we were making all kinds of plans. In came a special messenger with a notification from the garrison commander to surrender all of our radio equipment. We thought, well, you know, that's in the context of what's happening, this is nothing threatening, but we sent the proper reply as requested but explained that we could not release the equipment because it was the property of the U.S. government and we needed to ask instructions and see that this was the right thing to do—following which came a phone call telling us that the former consul general must appear within 30 minutes before the garrison commander, who turned out to be Wu Xiuquan, later [vice] foreign minister of the Communist government and the man who at Lake Success threw the riot act.[23] He looked at the consul general. "You have one hour to have all the radio equipment in your office in the hands of my staff." The garrison commander got up and walked out.

We had guidance, but Consul General Ward was not really interested in following it. Mr. Ward had made the friendship of [Ambassador] William Bullitt during the Hoover relief mission in Russia [1921–1923]. Mr. Bullitt was Thomas Dewey's choice to be secretary of state, and Mr. Ward expected to be the leader of the department under Bullitt. Mr. Ward's consul generalship sort of was a constant running battle with the department and the embassy over a whole range of things, including matters of policy. Mr. Ward represented the conservative wing of the Republican Party, which felt more that the national government should be strengthened at all costs. There were divisions within the consulate over this, of course. Mr. Ward was the boss, but the young officers' view was [different]. With the defeat of Dewey he rather lost interest in what was going on.

So we were informed that we were violating the laws, we were under house arrest. And there began 13 months incommunicado. The lights went out, the telephones went dead, the water stopped, and there we

were, 75 people in an office building: Chinese, foreigners, locals, Americans, anyone who was there. If you came near the window a sentry would point a rifle at you and arm the device. They took out the Chinese one by one and gave them a going over, and finally ordered them all under pain of whatnot not to have anything to do with us. So at that point I had to do all of the interpreting between the Chinese and consul general who didn't know any Chinese.

Were there any anti-American demonstrations?

ERICKSON: Oh yes. Every single day. Singing and parades all along the side of our compound. I still can sing their little chant—without communism there will be no China. Two or three hours every day in the beginning. Another thing that was rather terrifying in the beginning was that every night we were bombed by the Nationalists. That was ironic, too. Here we were being bombed by our own planes. We were hit one evening, quite a few of the windows blown out.

Did you get the feeling that nobody cared or knew the situation?

ERICKSON: Yes. We had no knowledge otherwise. It was an eerie sensation. It went on and on. We had no fuel. You couldn't take a bath because there was no hot water. You just put on layers of clothing like the Chinese did. But it was really the cold that I remember the worst. It would get 40 below, and that was really cold. Then the pump would freeze. We didn't have any running water, of course. We would bake bread and the cockroaches would practically line the bread pans as it was rising. We would bake it with the cockroaches in it and then just slice the sides off. . . . They didn't get inside the bread. We played bridge. We didn't have any electricity and nights start very early in the winter. We did get candles, and that was all we had. The vegetables—carrots and cabbage—we got most of the time, meat, from time to time, but it would be full of straw and dirt. However, we would just wash it up and boil it well. We were never hungry. And I think that is important in maintaining at least a modicum of morale. If you are cold and hungry, that is a lot worse then being just cold.

STOKES: So just about this time an old Chinese who had been caught asleep by the consul general and was ordered out to some remote part of

the consulate came in one day to ask for his retirement money. Ward went out and took him by the ear and led him down the stairs. The Chinese was frightened and began screaming. When Ward got to the bottom of the stairs, there was the mass Chinese staff confronting the consul general. The door then burst open and in came the Chinese guards. They arrested Ward and any Americans that were close to him, carried him off to jail. They wanted some kind of pretext in order to get rid of us. There was then a trial, the consul general was sentenced to 10 years at hard labor.

WILLIS ARMSTRONG: Those of us who knew Angus and had served with him in Moscow were sure that he had beaten those Chinese to an inch of their lives. He was a rough man.

STOKES: And there was a trial of personnel who were allegedly left behind by the external survey detachment. They had masses of Army/Navy type transmitters and camouflage gear and everything else you could imagine. The attempt was made to link the consulate to this work.

MANHARD: Mukden was out of communication. No one knew their condition, what was happening. At that point we were totally dependent on what we could pick up, at least as far as I knew, in Tianjin from the local Chinese-language press. I followed that closely. There was a trial before what they called then the People's Court, and they [Ward and several others] were finally convicted of sabotaging the revolution and were sentenced to execution. Shortly thereafter, it was announced in the press again that due to the lenient policy of the Chinese Communist regime, that their sentence was being commuted to deportation.

At that point, the first thing that seemed obvious to me, my own personal speculation, was that they had no way of physically carrying out the sentence of deportation from [the] China Mainland unless they had the cooperation of the United States or some other foreign power. They had no aircraft, there was no commercial transportation coming in or out of North China. So I decided that I'd take the initiative to go down to see the head of the Public Safety Bureau in the Chinese Communist regime, which was the equivalent of the internal and external *Gestapo*.

I asked him first if his government intended to deport them via the Soviet Union. I asked that question clearly because I personally believed that the Chinese Communists were having great difficulties with their relationship with the Soviet Union. There had been a lot of discussion in some quarters about the Soviet rape of Manchuria, clean-

ing out materials, taking people, and so forth. Whether that was entirely the opinion of Chinese Nationalist officials and their government's attitude, or whether this was shared by the Chinese Communists, of course, no one knew for sure. But I just detected an atmosphere and undercurrent of restiveness and unhappiness toward the Soviets. He glowered and bristled and said, "Certainly not. Absolutely not." So my parting shot at that point was simply, "Well, I trust you and your superiors realize that there is no way you can carry out the order of your court unless you have the cooperation of the United States. We are prepared."

A week or so later, two of the Chinese staff came to me very ceremoniously and very seriously, and said, "Mr. Manhard, we're sorry to say that we have just received a call from the Public Safety Bureau, asking us to tell you that they request that you come to their office right away." I said, "Fine, I'll do so." They said, "Oh, no, please don't." As is typical in China, they said, "We have a cousin who has another relative, who has a relative who works in that office. They tell us that once you get there, you are going to be put in prison as an example to the rest of this office, just like Angus Ward and his party were treated in Mukden." I went down there, and I was very surprised to see the head of the Public Safety Bureau seated behind his desk, slightly to the rear of two much younger men with very high quality cloth uniforms, neither of whom had insignia. They did not give their name or rank or title. They wanted to inform me that they represented the central government in Peking, and wanted me to know that what had happened to Mr. Ward—they still didn't use the title—and his group in Mukden did not reflect the policy of the Central Committee of the Chinese Communist Government. They went so far as to say that what had happened in Mukden was unfortunate.

I was very surprised, because that was about as close to an official apology as any American official could ever get from the Chinese at that point under those circumstances. They said, "However, this case has gone too far. There is nothing we can do to change what has happened in Mukden now, but we wish to cooperate with the United States in every way possible to make some smooth arrangements for him to leave China with your help and assistance."

Later I also suggested to my consul, "I think that this indicates to me that there is a serious split at the Chinese Communist Party Cen-

tral Committee at the top level about policy toward the United States." Because they repeated this twice, about, "We want you to understand clearly that what happened to Angus Ward and his party in Manchuria do not reflect the policy of the central government in Peking." I was turned down from sending cables, because my boss, I guess, felt that it was only my personal speculation and I really had nothing more to go on.

CHINESE COMMUNIST VICTORY—BEIJING AND NANJING

The Chinese civil war moved toward a Communist victory far more quickly than anyone had imagined. Americans repeatedly caught in the chaos of retreating Nationalist forces surprised themselves by anxiously anticipating the arrival of Communist forces that would impose order. Once behind Communist lines, they had to accommodate to new conditions in which the authorities did not recognize their status because Washington had no diplomatic relations with the Communists.

MCCARTHY: The final year in Peking under the Nationalist regime was a fairly hairy one, partly because Nationalist troops, several hundred thousand strong, poured into Peking after they were defeated up north. They were under no discipline, they hadn't been paid, they were ragged, and most of them became marauders. Eventually Peking was surrounded by the Mao Zedong forces. The only means of communication into the city was by an air strip built on the old polo field inside the city walls.

So we weren't quite sure what was going to happen, but six of the consular officers, including myself, were asked to stay after the Liberation. I can recall going down to one of the main avenues and watching the Communist forces move in. I guess at that point at least 80 percent of the population was delighted to see them come on, because they figured that nothing could be worse than what they'd gone through in the last couple of years.

What were your impressions of the initial impact of the Chinese Communists taking over in Beijing in January 1949?

OSCAR ARMSTRONG: Well, in the first place the takeover was not by military action. The Communists had been moving down into the area, and eventually the [Nationalist] Chinese general commanding the armies in the area, Fu Zuoyi, in effect defected with all of his forces. So Beijing was under siege for a while, but it was not shelled. A lot of the younger people, students, etc., had already been slipping out through the Nationalist lines, joining with the Communists, probably not knowing too much about communism, but they wanted a change. They didn't see a change being promised by the Nationalist regime. I have always felt that Chiang Kai-shek lost China partly because of some serious military mistakes he, himself, made, but basically he did not have and was unable to project a vision of a changed China. Many, many Chinese did not want the old China, the old corrupt regime. So whether you call it political, or ideological, or what, he was just unable to break away from the way he had done things in the past or the circle of people he had around him.

Going back to the Beijing takeover, it was rather a complex mixture of relief that they were not going to be caught up in the fighting, and hope that some sort of change was going to occur. This was at a time when the Communists were still talking about what they called "new democracy." They were not implementing, whenever they got to a city, the harsher measures they adopted later. They essentially took over the administrations and kept them doing what they were doing, etc. So, some hope for some change, but also some concern because they didn't know much about these people.

MCCARTHY: After the Liberation [of Beijing], USIS did continue in business for a while, and there was a very brief honeymoon period of several months when we maintained our normal operations. Eventually, subtle pressures and some not so subtle pressures began to be exerted upon students. I worked a great deal with students. In fact, I taught an English class at one of the local universities. They were afraid to come around and see us because the military posted guards at the door, and people had to show their residence permits when they entered, which discouraged a great many of them from coming to see us. We ended up pretty much isolated. However, we stuck it out, which was a marvelous chance to see a new communist government established first-hand.

MELBY: The battle of Huai Hai had already started, which was the final engagement, which I happened to witness because I'd taken one last trip

to Beijing, mid-December 1948. It was a clear day and we flew high over the battle of Huai Hai, over the China plain. You could see exactly what Lin Biao [the great CCP military strategist] was doing. This huge enveloping movement was broken up into literally hundreds, maybe thousands of small pincer movements. Each one moving in, pinching off one group of Nationalist troops after another. It was magnificent! It was fascinating. At the same time, it was horrible. You could imagine the death and destruction that was going on as villages were burning and people were dying. And when it was over—that particular campaign lasted for two months—there was no Nationalist Army left. The Communists had destroyed them all. Some they captured; there was something like 900,000 prisoners before it was all over, living prisoners, to say nothing of those who had been killed. It was the only real conventional battle the Communists fought in the civil war.

CLOUGH: We could see that the Communists were winning the civil war. It was very evident, particularly as the Huai Hai battle developed and the Nationalists began to use desperation measures to try to shore up this place with airlifts and that place. It was obvious they weren't going to be able to do it. Therefore, the government was going to have to move, because Nanjing would be immediately threatened once they couldn't hold the ground to the north. So we had to divide the embassy. The government prepared to move. It was going down to Guangzhou. We sent the larger part of our embassy in late '48. Lewis Clark, who was the minister counselor, headed the group that went down to Guangzhou. Leighton Stuart stayed on, along with all the other ambassadors in Nanjing, with the exception of the Soviet ambassador who moved down to Guangzhou.

BACON: The Nationalist army had the idea that if they could hold the cities they could eventually tire out the Communists. But this had been a failing policy for years and years, and frequently instead of holding the cities, they would abandon them at the approach of the Communists. This happened, of course, at Nanjing. It was generally supposed that the Yangzi River, being a mile wide, would be an absolutely impossible barrier if there were any kind of defense at all. Well there wasn't any defense, and I recall very well the morning when we discovered that the Communists were already in town, in April 1949. The walls of Nanjing were over 20 miles in circumference, 30 to 40 feet high—of course, they're made of bricks, so they could have been blown up, but there was

no need to do that. The gates were left open, the Communists walked in. The Chinese government and the police had left town the night before knowing what was going to happen.

Some of [the] looting that went on was rather comical. I remember seeing some poor Chinese coming away from the chief of police's house with a water closet [a toilet] on his shoulders—absolutely no use to him, he had no water supply, but it was a pretty impressive object.

JOHN WESLEY JONES: The thing that was the greatest danger was not the incoming Communist troops who had already crossed the Yangzi, but looters. I remember standing on the high ground just inside the embassy compound wall looking out over the city of Nanjing and being horrified at all of the fires that had been set, most of them in empty houses belonging to officials of the Chiang Kai-shek government who had fled to Guangzhou leaving their houses with some provisions and some furniture but empty and unoccupied. And after the local populace had ravaged these houses and looted them, they then set fire to them. So, every 15 minutes or every half hour or whenever it seemed appropriate, the Marine guards would shoot their guns off into the air to let prospective looters know that this was not a place that was easy to attack. Because it was occupied and because it was armed, we were really never in any danger of looters coming near because they had so many other unoccupied places that they could go to. I never would have thought that I would welcome the advent of Communist troops into a city where I was living, but I can assure you that it was with some joy that I saw the Communist troops come into Nanjing the next day. Order was very quickly restored.

BACON: What was really comical was that a few weeks later in the fall, the Communist government decided to make a historical event out of the capture of Nanjing. We could see the cameras being placed on the top of the walls, the army approaching with scaling ladders, soldiers climbing up and getting on top of the wall, waving the flag. None of which, of course, had ever happened. They just walked in.

CLOUGH: When the Communist troops came in, they were very orderly, and they informed us that we had to stay in our compounds. For the first few days they posted sentries at the gates and wouldn't allow the foreigners out. But within a few days we got a notice from this Alien Affairs Office, which had been set up.

You have to remember that in April of '49 there was no central gov-

ernment. The People's Republic of China had not yet been established. This was simply a military government, and the Alien Affairs Office was the office that was set up to deal with the foreigners. We assumed that we could function in a consular capacity, as we had done in Manchukuo. After the Japanese took Manchuria, we never recognized Manchukuo. We never had any diplomatic relations with that government, but we kept our consuls there, and we dealt with the local government on a consular basis. Never had any serious problems. The Japanese accepted that. That's what we had done throughout Latin America. When there was a change of government, we'd keep our consular officers on, and we'd deal with the successor, whoever it was. So we thought we could do that in China, but the Chinese Communists took a different attitude.

They sent a notice around to all the embassies in Nanjing, saying: "You people have no official status whatsoever. You're just ordinary citizens, and you're not allowed to leave the city without permission from the Public Security Bureau. There's an eight o'clock curfew. No one is allowed on the streets after eight o'clock. And if you have any business, you have to deal with this office and present your business in the form of a written statement in so many copies in Chinese and English, or Chinese and a foreign language, whatever your language is."[24]

ROBERT ANDERSON: So they split the embassy in half. And seeing that I was young, single, and expendable, I guess, I was told to stay behind [in Nanjing]. When we tried to go to the office a couple of times, they'd ram bayonets through the radiators of our cars. A couple of us were dumb enough to say the heck with this, and we'd creep around and go through back alleys, because we wanted to get over the chancery so we could send a telegram or two.

CLOUGH: We did have this incident involving Leighton Stuart's quarters. Early on, the first few days of the occupation, some soldiers wandered into his house early in the morning before he was out of bed. They intimidated the servants, and they bulled their way upstairs into his bedroom, where he spoke to them in Chinese and explained that this was foreign government premises, that they were violating the law by coming there and so on. But they didn't pay much attention.

One of my jobs was to go to the Alien Affairs Office and make a protest of this invasion of our ambassador's quarters by soldiers. So we wrote it all out, and I went down to the Alien Affairs Office. The first

problem I had was to get in, because you had to fill out a form at the gate, all this in Chinese, saying who you were, what your position was, what your business was, who you wanted to see. So I filled this all out, saying that I was the second secretary of the American Embassy. The gatekeeper said, "No, you're not. You have to say you're the *former* second secretary of the American Embassy." And I argued with him. I said, "No, as far as *my* government is concerned, I *still am* the second secretary of the American Embassy." So we argued awhile, and then he took the paper and wrote "former" in front of it and took it in.

I went in, and I made my protest to the appropriate official. In fact, this was Huang Hua [director of the Office and Zhou Enlai protégé] himself. He lambasted me. He said, "You have no right to make a protest. You have no status. You're just an ordinary citizen." We found out later that these soldiers were tracked down and they were punished. We heard indirectly, but they wouldn't acknowledge our protest.[25]

Why did the United States hang on there?

CLOUGH: The theory was (and this was a theory widely shared among the foreign ambassadors in Nanjing at that time) that the Nationalists were on the way out, that they were losing the civil war, that they were going to be driven off the mainland, and that the best way to make the adjustment to the new government that was taking over was to keep our ambassadors there so we would have some representation. We could begin a dialogue and work out the arrangements. That was the theory, but in fact it turned out to be much more difficult than anybody anticipated.

We were doing useful things. We were reporting on the situation in Nanjing. After the first few days, we could move fairly freely around the town. Not outside the walls, but within the town. We could talk to people, and we could report on what the newspapers were saying. They had taken over the former *Central Daily News* and turned it into the *Xinhua Ribao*, the new China daily published in Nanjing. We also got newspapers, sometimes, from other parts of the country. We could analyze what they were saying, what campaigns were going on. We had our own radio. We had our own broadcasting, transmitting set, encoding equipment. We operated entirely by radio. For months, we didn't get any pouches in or out.

BACON: We were having labor troubles, of course. The USIA staff, who, not really voluntarily, were used as a front, were demanding tremendous settlements in lieu, or in anticipation of, their retirement allowances. It became apparent that the Communists wanted partly to demonstrate to the population that they were in charge, they could make the Americans jump over hoops, and call them to account for whatever they'd been doing. Also, they wanted hard currency any way they could get it, trying to levy fines on us for this and that.

Did you feel that this was a transition period and that there were signs that the Communist authorities were probably going to open up?

CLOUGH: Yes, we were optimistic. We drafted a telegram, I guess probably the summer of '49, to the effect that the Nationalists were losing the civil war, that it was important for us to maintain some connection. We expressed the view that, in time, strains would develop between the Soviet Union and China, in spite of the lean-to-one-side views expressed by Mao on July 1, and that we should wait for that time, take advantage of what we felt then would be a growing division between the Soviet Union and China.

CHINESE COMMUNIST VICTORY—SHANGHAI

The CCP takeover of Shanghai was an important test because it was the largest, most complex, urban center in China at that time. Many Americans had dismissed the Communists as uncouth peasants who could not hope to govern such an enclave and were astonished at the relatively smooth transition. Incidents, of course, did occur given the large size of the foreign community. For instance, in the case of one American consular officer, William Olive, the cultural and political clash turned violent. Olive resisted arrest, reportedly lashing out at the authorities, who then beat him. They saw him as an arrogant imperialist. The Foreign Service officers recalling the incident here see Olive in a more sympathetic light.

VAN OSS: Shanghai, the Consulate General, was a huge post. I think only Paris and London were larger. Shanghai was an important city. A cosmopolitan city. The Communists later said it was an excrescence or goi-

ter on the body of China proper. It was different from any other Chinese city, except that there were a lot of Chinese there, of course. There were also lots and lots of non-Chinese. There were many German Jewish refugees, White Russian refugees, Iraqi Jewish refugees. It was a polyglot and fast moving city. A naughty city. A wicked city. A busy city.

We were worried about what would happen in the interim between the time that Chiang Kai-shek left and pulled out his troops from Shanghai and the time that the Communists came in. The specter that hovered over our heads was the thought that the Chinese in the old city, all the Chinese poor people and everybody would rise up and plunder the wealthier parts of the city. We were all issued carbines. A lot of what [Consul] Sabin Chase and I were doing was trying to make contact with forces in Shanghai that would be able to exercise some form of control. Sabin did most of this work because he spoke fluent Chinese and I did not. He formed a contact with a Chinese colonel who had close contacts with the so-called Red Gang of Shanghai.

It is quite well known that there were secret societies in Shanghai, generally referred to as the Triad. The most powerful group was called the Green Gang, and that was headed by a person called Du Yuesheng, a mysterious figure who controlled crime, drugs, the underground, and who was one of the powers behind the political scene in Shanghai. A sort of "godfather." He was also close to Chiang Kai-shek and his henchmen.[26] There was a rival underground group, which we called the Red Gang. I can't remember the name of its leader. But the colonel whom Sabin Chase had contacted was in deep with the Red Gang leader and we arranged through him after a long process of negotiation that the Red Gang would take over and have its men out to keep things under control, prevent rioting, etc.

As it turned out, the turnover was relatively quiet. The end of all this was typically Chinese. I think it was about the 23rd of May when the Nationalist leader Chiang Kai-shek held a "victory" march, in which he paraded all his troops through the streets of Shanghai with their weapons. There were dancers, bands, and all sorts of noisemakers. So he had his face saving victory march and then pulled out. The only fighting that took place was between the Communists and the Nationalists at the point of embarkation where the Nationalists were getting on ships to retreat to Formosa [Taiwan].

WILSON: The old China hands were mystified by the behavior of the Communists. First of all, they had never really thought they had good troops. Over night, right after they took over, the city was plastered with thousands of posters, reassuring the populace that their property would be protected, and it was. Unlike the Nationalists, the Communist soldiers slept on the sidewalks rather than intrude into any home or building. They refused to accept so much as a cigarette without paying for it. There was no doubt, given the turbulence of the past, when the Nationalists soldiers did exactly the opposite, that many people in the city were happy to see the Communists come as a promise of peace and order.

What happened commercially? Did stores stay open, was food available?

VAN OSS: The economic situation in Shanghai had become deplorable during the last months of the Nationalists' regime. Inflation was just terrible. The rate would go from say one million yuan to one American dollar one day, to two million to one the next day. At one time Chiang Kai-shek put his son Chiang Ching-kuo in charge of Shanghai. Ching-kuo put in a new exchange rate and forced everybody to turn over gold in exchange for this new currency. He shot a couple of reputable businessmen who patronized the black market in currency. Of course by doing that it meant that nobody could buy anything in Shanghai because the shelves were empty since merchants could get more money by selling their products outside the city at black market rates than inside at the official rate. Eventually Chiang Ching-kuo was forced to lift the limits on the currency and inflation zoomed again.

When the Communists came in they tied the currency to the price at any one time of basic commodities—rice, cotton, tobacco, and gold. So if you put a certain amount of money in the bank on a given day, you were credited with the amount of rice, cotton, etc., that that original amount of money could buy. So no matter what happened to the actual currency exchange rate you could always get the same quantity of the basic commodities as you were credited with when you had originally deposited. That pretty well did away with inflation within a very short time.

Another thing the Communists did: they put a severe tax on all vehicles, so we sent our cars home and had to take pedicabs. That really was

one of the best things we ever did because we saw more of Shanghai that way than we ever would have seen in a car. In those days the Foreign Service spent a great deal of time dealing with other officials, driving in cars and living with the upper crust with very little idea of how the peasants, the poor, the lower classes lived. We dealt mainly with the people who could give us the information we wanted and didn't worry too much about wandering about in the villages. And, of course, with the Communist war going on we couldn't travel very far beyond city limits.

Did the Communists make any efforts to keep you from contact with the people?

VAN OSS: No, I don't think they made any conscious efforts, but we had to have permission for any travel. And, of course, many of our contacts were afraid to come to us. Many of our contacts were genuinely trying to get along with the new government, so they wouldn't have phoned us. They began to accuse us of the same things the government was accusing us of doing.

What about the men in the street, the peasant class, did they seem to welcome this new government?

VAN OSS: Anything was better for most of them than what they had under the Nationalist government.

Except nothing did become better for them.

VAN OSS: Well, I don't know that I could dogmatically say that. Probably economically they were better off in some ways. China was not Europe; its average standard of living was much worse than Europe's. The average person in China was poor. There certainly were many poor in the cities. In Shanghai after a typical winter's night the authorities collected bodies off the street of people who had to sleep out and had frozen to death. We saw a bundle in the street outside our house one time coming back from a walk. Our dog started sniffing at it. I went over to see what it was. It was a dead baby. The watchman at our place said it was probably a baby girl that the poor family had not wanted and had thrown out on the street.

There were wealthy businessmen who did very well under the Nationalists, but the man in the street didn't. So I can't say dogmatically that the peasants were worse off under the Communists. They were worse off in the sense that their lives were controlled; they had to obey regulations and couldn't do what they wanted to do, but they couldn't do everything they wished under the Nationalists, either. Don't forget Chiang Kai-shek's GMD party structure was very similar to the Communist Party structure. Chiang Ching-kuo, Chiang's son, was trained in Moscow. The people who were affected adversely under the Communists, of course, were those who had money and owned land.

HOLLOWAY: But the question was, what's going to happen? Here's Shanghai, one of the world's largest cities, a very complex city. It was the biggest city in the communist world, bigger than Moscow. How was this going to be run by these people who had come out of caves in the northwest of China? We all made a mistake, the old China hands in particular, in thinking that they couldn't run this, that they weren't sophisticated enough. Fortunately for them, there was a very, very low level of economic activity, because the Nationalists claimed to have mined the Yangzi. And then, of course, they had a blockade, or port closing as they called it—self-blockade, I guess you would call it in international law. So that economic activity slowed, and this made Shanghai easier to run. They had many, many handicaps. They had a bias against cities. They'd been out in the boondocks for 10 years, and they thought cities were sinkholes and cesspools.

But we were not planning to close Shanghai?

VAN OSS: As of the moment we are talking about—May 1949—we still hoped that we could find some way of making contact with the new government, and seeing if we couldn't repair relations. We had hoped that for a long time, but as the Communists advanced Mao Zedong had become increasingly anti-American in his pronouncements. One of their big slogans was "leaning to one side." This meant leaning towards the Soviets; that became a big thing with them.

WILSON: For a while, we were able to run a restricted USIS program. Communist soldiers would visit our library. But in July 1949, we had to close up. The bamboo curtain had fallen. The U.S. was going to be the main target for vilification. Propaganda techniques were varied. In the

press, for one thing, letters were planted asking straightforward questions, like, "Why can't newspapers continue printing AP and UP stories?" And the Communist answer, in part, "Because they are the mouthpieces of imperialism." The Communist Press and Publications Department of the Cultural and Educational Control Committee called a meeting of key Shanghai editors for a discussion forum. They were told that news and feature stories produce ideological and political effects, and the role of newspapers and magazines under the Communists is to serve the interest of the people.

They had an editorial in one of the papers, commenting on USIS. It said we had been ordered to cease our activities, and although on the surface USIS looked like a cultural liaison in public relations such as movie shows, library services, concerts, photo exhibits, giving advice to students going to America, the article said that in fact, the center of work was the dissemination of official news dispatches and the gathering of information concerning public opinion reaction to America. Our posts were filled with Secret Service men trained by the FBI, and we were just megaphones of imperialism.

The radio editors of Shanghai were called in for a lecture. They didn't understand how things worked under Communists. Worst of all, some of them were still relaying the Voice of America. That was a no-no. Motion picture people and producers were called in and told their films had to reflect the policy of the government, that films should educate the people, reform their thoughts, encourage production. American commercial films had been very popular. Now they had the movie industry workers union demand that the government immediately impose censorship on the poisonous American-made pictures. As these movies disappeared, it was announced that 200 Russian films with Chinese lip sync had been imported. Anything American was erased. Street names, like Wedemeyer Road, named after the American general, were changed; brand names, products, soaps, cigarettes. In every element of society, the Communist control mechanism was taking over.

VAN OSS: The interesting thing about this whole experience was that it gave me an insight into just what it is like to be in a communist country where the communist government starts from scratch. There are various impressions that I have. One of them is the noise factor. There were loudspeakers on every street corner and they were turned on inces-

santly. If it wasn't Chinese music and opera, it was propaganda. We had propaganda in loud Mandarin at all times during the day or night.

Another impression I have is the extreme thoroughness of the Communists. They intruded into every walk of life. They made people attend infinite numbers of political meetings at which Communist officials talked for countless hours repeating endlessly the same slogans and general theories.

The early stages of the Communist takeover didn't have much impact on us except for the fact that our government didn't recognize them and we thus had no official status. But we were not molested, cursed, or pelted with mud. On the other hand, we had to be very careful because one of the things they did early in the game was to take measures to inform foreigners, white men if you will, that they were no longer on a pedestal, were no better than anyone else. In fact, they were a little bit worse than the citizens of China. Where this comes into play is that there were still quite a few beggars in Shanghai. The beggars were a nuisance even for the Communists. They would come up to you and would clutch you and do just anything you would allow them to get away with. In the old days you sometimes were forced to push them aside and go about your business. Once the Communists had taken over this was no longer possible. The minute you so much as touched a beggar, no matter what he did to you, a policeman would appear and you would be taken into custody. This didn't happen to me but it did happen to a number of Americans and other foreigners. The routine was that they would be hauled before a political commissar, not a judge, and would be asked why they had molested a peaceful citizen of China. Then they would give their case. After that they would be fined or told to write a letter of apology and then allowed to go. But this was unpleasant.

WILSON: There was another aspect of their propaganda against foreigners. They felt the Chinese man in the street had too much respect for foreigners. They wanted to break this up, so they began picking different nationalities to create an incident on which to focus. They got a Frenchman, accused him of knocking a Communist officer from his bicycle, made him spend two weeks sweeping the streets, pay a fine, medical expenses, public apologies, wear a sign around his neck, all that. Then it was the American turn. We had a young vice consul by the name of Bill Olive. He was a very slight, unassuming man.

VAN OSS: On the day the Chinese Communists held their victory parade (without prior notice)—about a month after the takeover—Bill Olive happened to be in his car to get gas. Two soldiers jumped out at Bill Olive. They held up their hands. He either ignored them or didn't see them. This was the last we saw of Bill Olive for a while. We didn't know where he was, he had just disappeared.

Eventually we found out that he had been taken to jail. All was well. He explained what he was doing. A police officer quizzed him. He asked if he could call the consulate, and just then the police officer was joined by one of these political commissars. The latter took over and claimed that Bill was trying to brush past guards of the People's Republic of China and interfere with the victory parade. By this time Bill was a little nervous and asked again to call the consulate. The commissar said something like, there isn't a consulate any more, he couldn't call. Then he told Olive that they were going to retain him for a night or two. Olive protested vigorously, and the commissar ordered the guards to take him away. Bill struggled and grabbed the bench in front of the desk and knocked over a bottle of ink, which, I guess, spilled onto the political commissar. He was then pulled back, thrown to the ground and beaten severely by the armed guards.

WILSON: He was locked in a cell without food, water, or medical attention, while two guards kept bayonets thrust through the bars at his throat. He wasn't permitted to move a muscle, and then every few hours they'd take him out, put him in front of a blinding light, and harangue him. They wanted him to write a confession, which he wrote. They'd look at them, crumble them up, throw them back in his face, and say, "Write a better one." And so he wrote, under their tutelage, a confession, which then was published on the front page of the newspapers, which included such things as saying, "I am grateful to the People's Government for the consideration given my case, for the lenient and kind treatment accorded me."

VAN OSS: They wouldn't let him sleep. They kept the light on and kept taking him out for interrogation. This turned out to be the first instance of "brainwashing" that any of us had heard about first hand. They told him that the United States was worse than Nazi Germany and had committed grievous sins against the People's Republic of China. He, Bill Olive, as a representative of the U.S. government, was just as guilty as that government. The grilling went on incessantly for several days. By

the end of those days he was so beaten down he almost believed he was as guilty as they told him he was. He was in pretty bad shape at that point. This was a rather ominous event.

So our diplomats were really in a very precarious situation?

VAN OSS: The Olive case was the only episode of that sort at the time, and you could say that the authorities had some flimsy excuse because he did ignore their original instruction to stop his car.[27] Later on, of course, after we Americans had left, the British stayed behind and were subjected to all kinds of embarrassing experiences. They were jailed, forced to kowtow, frog hop across the room, and so on. Terribly humiliating.

BOMBING BY NATIONALISTS

Although Americans remained on the ground in China, the Nationalists utilized American planes and ammunition to bomb Shanghai in 1949, enforcing their blockade and damaging industrial plants and electric power generation capacity. Diplomats reported that the bombing was not limited to military targets. Nevertheless, protests from the American government were half-hearted and the Nationalists ignored them. Ironically, Americans were also blamed for the destruction because of the provenance of the weaponry being used. Washington also refused to interfere with the Nationalist blockade of the China coast.

HOLLOWAY: It got a little dicey when the Nationalists started air raids on Shanghai. These were American planes, American bombs, American gasoline. They were B-24s; that's a fairly potent plane. The Nationalist Air Force, which had never shown any capacity for accurate bombing in the fighting, suddenly became crack bombers, bombardiers! They hit the American power plant in Shanghai. American Foreign Power had a plant at Riverside, a big plant. They knocked out the French power plant, which meant there was no light or heat in Shanghai in the winter.

VAN OSS: I wouldn't put too much stress on the bombing, it didn't amount to very much. It wasn't nearly as severe as the shelling just before the city fell, for example, although the Communists didn't have any planes

so there was no bombing from the sky. After Shanghai fell to the Communists, the Nationalists sent over a few planes periodically to drop a few bombs. But we used to go down to the coffee bar in the basement of our consulate office and use that as our bomb shelter when the siren went off.

WILSON: Meanwhile, from Taiwan, the Nationalists claimed they had mined the Yangzi River entrance. They sent bombers over with 500-pound bombs. The Communists, as a counter-propaganda move, put machine guns—they didn't have any aircraft—on the roofs of the buildings, so that when these planes were up there, all of a sudden the machine guns would go off, and you'd have to watch out for falling lead. Then the newspapers would claim the "bandit" planes had been driven away by the valiant troops.

HOLLOWAY: Isbrantsen shipping line ships were fired on and hit and put on fire by the Chinese Nationalists outside of Shanghai. Our Navy would do nothing to help them. Isbrantsen and Acheson got into a newspaper war, taking ads out, insulting each other. In the end, Acheson got the Coast Guard to, in effect, say that the masters were hazarding their ships by going into Shanghai, and if they went in they might lose their ticket. The department said—it's now been published in *Foreign Relations*—that we would take no action which would lessen the effect of the Nationalist blockade of Shanghai.[28]

CHINA WHITE PAPER

In the spring of 1949, President Truman endorsed the writing of an official document that would absolve his administration of responsibility for the fall of Chiang Kai-shek while clarifying the events in China for the American public.

MELBY: I was asked to take charge of the White Paper. It took about five months to do. The White Paper was a decision on the part of the department, secretary of state, with the approval of the president, who was enthusiastic about it, to write the record of our relationship with China with special reference to the period 1944–1949. [We were to] set forth the record, and set it straight, no matter who got hurt. It was not to be a propaganda job, presenting one side.

I must have gone over several hundred thousand documents, picking out essential ones, and writing it, and getting people—I wrote about half of the White Paper myself. Other people wrote other chapters. We worked on it 18 hours a day, from March until August. We produced this fifteen-hundred-page document, which came out August 8, 1949. George Kennan, who at this point had gone to the hospital with another attack of his stomach ulcers, took the White Paper with him to the hospital and read it straight through. He said that it was the greatest state document ever produced by the American government!

The purpose was to call the dogs off from the China Lobby. It didn't work. The China Lobby, insofar as you can define it, was the antecedent of the so-called Committee of One Million.[29] It was composed of people from a whole political spectrum, from the far right to the far left, who had only one thing in common: for whatever their reasons, they were in complete support of Chiang Kai-shek and the Nationalists. That was the only thing they were united on because of anti-communism. The American obsession with communism.

You produced this paper, and then it just didn't seem to have the desired effect.

MELBY: It was just the opposite. It just accrued more fuel for the fire. I thought, "Well, at least the communists are going to be able to say there's something to it. Maybe they'll like it, and so what." And so help me God, Mao Zedong read the damn thing and proceeded to write five editorials for the official Communist newspaper attacking it as proof of how imperialistic American policy had been. So I figured, "Yes, you can't win."

SERVICE: In hindsight it's remarkable that intelligent and experienced men in the department, people like Dean Acheson and so on, had so little realization of what a hot topic China was. They should have known, because China had been a hot topic since '45, and all through the Chinese civil war the department had been under tremendous pressure. Before Truman was elected [1948], and then particularly after Truman was elected, he was bitterly attacked. The critics charged, "We're letting China go down the drain."

By the summer of '49, it was apparent that [Guomindang] China was finished. All through the civil war we had abstained from anything which could be interpreted as being critical of the central government, Chiang

Kai-shek. We couldn't appear to push him out of China. By the summer of '49, the administration had had enough of criticism. They were going to counterattack and defend themselves, prove that they had done everything they could to support Chiang, that it was not our fault that the Communists were winning. It was Chiang's own failings. The administration decided to put out a White Paper, but they didn't foresee what the effect was going to be, how this would really boomerang, which it did.

ATTACK ON THE FOREIGN SERVICE

Chiang's fall provided the occasion for a brutal attack on American diplomats. Initiated by Patrick Hurley in 1945, the assault became far more vicious with Senator Joseph McCarthy's discovery of the China issue. McCarthy unscrupulously made China policy a central element of his attack on the Truman administration for alleged softness on communism. Foreign Service officers who had predicted the end of Guomindang rule, like Fulton (Tony) Freeman, were forced out of the Asia arena or, like John (Jack) Stewart Service, out of the State Department entirely. Academic China specialists also suffered in the McCarthy era, including Owen Lattimore, who endured years of expensive legal battles.[30]

LACEY: Then and now, the top echelon was more motivated by domestic political considerations than they were by U.S.-foreign developments. The China Lobby was a very potent force. It still was for a long time. Pro-Taiwan was built into U.S. policy towards the two Chinas. I disagreed with it then, and I take issue even now with a black-white view of China. My colleagues, the rank and file working officer, more familiar with the facts of the two Chinas, were inclined towards . . . well, I would guess that seven out of ten of such people would have opted for Communist China at the time.

Did the careers of those who were correct in their evaluation of the strengths of the Chinese regime prosper, or did they suffer as a result of having a view that diverged from American policy?

LACEY: Ralph Clough's name comes to mind. He is a long-standing China watcher, a real expert. Such is his stature as a scholar that he has been

able to not only write effectively about Taiwan, but Communist China as well. Bill Gleysteen also comes to mind. Bill was a outspoken critic of Chiang Kai-shek, and yet he rose rapidly in the service, indeed became ambassador to Korea.

Were you feeling any particular pressure on you? Was there pressure to "think right"?

LUTKINS: The constraints were felt more by people in Washington than they were in the field. There was no effort, certainly from Washington, to dictate to us what we should be saying. And no complaints about what we were reporting that I recall.

WALTER JENKINS: No, there was objectivity from my point of view. I felt we were getting excellent balanced reporting out of China. But in the broader political environment you did have the feeling of pressure from the Judds and the Knowlands that we mustn't be "traitors," and you began to feel that Jack Service and others were not exactly welcome in this environment. As a junior officer focusing on the military I was perhaps less aware of the siege. But I had a feeling that Edmund Clubb, Service, and others, and maybe my two bosses, Phil Sprouse and Tony Freeman, were feeling this pressure a lot more than I was. Of course we all know what happened to Service; John Paton Davies was another.[31] Tony Freeman, who was one of the best China language officers I've ever known, left the Far East and became ambassador to Mexico eventually. And Phil Sprouse did go out to Cambodia eventually. But their careers with China or anything important in that region were ended. And you could sort of feel that by 1950.

LACEY: Almost all of them were not only discredited but left the service. I remember reporting on March 3 in 1950 to a Joe Yager, who was then chief of the China branch of intelligence research for the Far East. Joe Yager was a godsend to me. Joe was a very stubborn, tough-minded analyst. He insisted that nothing leave his office that he hadn't personally examined. Joe insisted that we call them as the shots fell, but he always made certain that we worded our analysis in such a way that it wouldn't offend McCarthy. I am always grateful for that. On the other hand, some of our best people were dragged through the McCarthy grinder and had to leave the government. It was a very uneasy period, a shameful period in terms of our democratic process.

MANHARD: Tony Freeman had to have two-thirds of his stomach removed for a bleeding ulcer, he was under such emotional stress.

RICHARD E. JOHNSON: I was in the Office of Chinese Affairs, and of course these were McCarthy days, so that, in a way, conditioned the mood in the State Department, which was a very cautious one and one of considerable concern, even seeping down to the lower levels in the Civil Service. You never knew when you were going to show up on some list for some crime you really didn't commit. I worked for a time for several old China hands who were hit by McCarthy, and their careers were seriously damaged. They later recovered and they're now highly respected as Sinologists, but, at that time, McCarthy had succeeded in creating a good deal of fear in the ranks.

SINO-SOVIET RELATIONS

Frictions between the Chinese and Soviets were apparent to American diplomats in China, as was the fact that few Chinese really understood communism in these early years. In Washington, officials debated the relative importance of communism and nationalism in motivating Mao Zedong's behavior, hoping that he might prove to be as independent of Moscow's control as Tito in Yugoslavia.

MARTIN: Naturally, [in discussions with students about China's future] I tried to put forth the merits of the American system, which they generally would not argue about, except that they would say, "Well, it's all right for America, but it really doesn't apply to China and our situation." I wouldn't say that any of them were strongly pro-Soviet; neither were they strongly anti-Soviet.

STOKES: While we were hostages [in Mukden], Mao made his famous visit to Moscow for his meeting with Stalin [December 1949-February 1950]. Stalin treated him very shabbily and the agreement that came out of that was even worse for the Communist government than the agreement in 1945 that Stalin had negotiated with Chiang Kai-shek.[32] So the myth of Chinese/Russian solidarity and eternal friendship under the banner of communism was to my mind absolutely unraveled by the time all of this experience had come to a head. There is and always has been a latent hostility between the Chinese and the Russians. It's cultural, it's vis-

ceral. It goes way back. Just before we arrived there, the Russians seized all kinds of Japanese assets and transferred them to Russian ownership, put Russian signs on them, and tried to keep it as property. Factory equipment they stole. Mao was prepared to swallow all of this until his confrontation with Stalin. And then when he came back, of course, it was such a loss of face.

Was there a line in Washington that felt if you started talking about different types of communism, this would make you look soft on communism?

MANHARD: In 1950, I got the impression from INR [the State Department's Intelligence and Research Bureau] and others who had made a specialty of studying, analyzing, and researching China, that at that time this was an absolute fantasy, ridiculous, absolutely impossible to conceive of any difference of view between China and the Soviet Union, because the conventional wisdom at that time all over Washington, as far as I could make of it, military, civilian, State Department, CIA, whatever, was, "It's a monolithic communist bloc," and anybody who had a different opinion was way out in left field. I had a different opinion and found nobody who agreed with me.[33] Oh, yes. The Chinese poured out a tremendous quantity of propaganda characterized by such expressions as "lean to one side," and "learn from the example of the Soviet Union." But underneath it, the human relations, the personal feelings and attitudes of their own officials was quite different. I saw that.

GREEN: Chiang Kai-shek, even when I saw Chiang for the next to the last time in 1969—1969!—long after we all knew that the Sino-Soviet rift was real and vicious and all the rest of it, he told me that he believed that this was a ruse that was being pulled off by both Beijing and Moscow, that they were trying to delude the West into thinking there was a split, so that it would cause splits in our ranks and weaken our ranks, whereas they were solid, and we were being galled and lured.

I'm saying that because obviously it's wrong, but it shows that that was the line of the Chinese Nationalists that this was all a monolith. The Chinese Nationalists had a tremendous power in Washington, the so-called China Lobby. Of course, it weakened over time, but at the time we're talking about, back in 1950–52, they were very strong. So the line was coming through very hard from Taipei that this was the situation.

MANHARD: However, going back to this incident [the detention of] Angus Ward, the conclusion I personally draw from that experience was that the last thing the Russians wanted to see was, they were afraid of a flexible policy by the United States toward the new regime in Beijing as a potential attempt by us to wean the Chinese Communist regime away from Soviet influence. Anything that would potentially be a threat to that total untrammeled domination by the Soviet Union, they tried their best to undermine.

The media just leaped on this thing. This played into the hands of people with a very conservative view of foreign policy in the Congress and in Washington, that even if certain people in the State Department, for instance, Acheson or Butterworth, even if they'd been inclined to adopt what I'd call a more pragmatic approach to the new Beijing regime, this kind of incident provided a lot of fodder for the grist mills of agitation about, "This is how they're treating official Americans in this regime." If the Russians had expected to have some irritating effect both in Beijing and in the United States, it worked very beautifully.

DEPARTURE

Americans in China faced problems staying or going as the civil war ended and Communist forces emerged triumphant. The final event that led to evacuation was the decision by the Communists to seize official American consulate property in Beijing in early 1950. The land, originally ceded under the 1901 Boxer Protocol, had been intended for garrisoning American troops. Although the United States had long since converted the buildings to office space, the Chinese Communists sought to erase the humiliation of the Boxer era. They may also have been trying to force foreign recognition of the new Chinese government. When neither the Americans nor the Chinese would compromise, the Americans left China.

LUTKINS: Governor Lu Han, plus the political-economic elite in Kunming and in Yunnan, very strongly favored the central government against the Communists. But, of course, they weren't dumb; they knew what was going on and were a little worried about what was going to happen to them if the Communists succeeded in defeating the Nationalists and taking over. And they also, of course, were uncertain as to

what the attitude of the United States would be. I was approached by a leading local citizen, who obviously was speaking on behalf of the local power structure, including the governor, asking if they could count on American support if they tried to resist the Communists, and whether we'd be willing to put in any military forces, and so forth. The expected reply came back that under no circumstances would we be prepared to do that. The day before our scheduled departure the local Yunnanese power structure staged a coup against what remained of the rather limited national government force there.

WILSON: The Communists did not have the technical expertise to run the factories and do many things associated with Shanghai. They wanted the foreigners to stay around and run these places until they could properly take over. They didn't want to drop everything overnight. They wouldn't let anybody out. That was part of the problem—it was *the* problem.

Meanwhile, they were telling employees to demand various things. Our military had let their Chinese employees go. They formed a group to demand higher separation settlements than they were entitled to under our regulations. Consul General John Cabot said he would negotiate with a committee, not with all of them. They turned that down, blocked the entrances. We were prisoners inside our own consulate. It was blackmail, and in the end, the U.S. had to pay these people to get them off our back.

In August 1949, the Communists said they would begin giving 25 applications a day for exit visas. They knew thousands wanted to leave. At night, around two o'clock in the morning, there would be long lines waiting. The first time I went, I waited eight hours in the rain. The Communists also wanted the populace to see the spectacle of foreigners lined up, sort of begging, especially the Americans. So we decided we could play that game another way. We began to go downtown late at night with camp stools, cards, magazines, sandwiches, coffee, and just sit around and enjoy ourselves. The Chinese have a good sense of humor, and many of them were amused to see us out there gossiping, munching on sandwiches, as though at a picnic. So the Communists were losing face.

Were you getting instructions that were trickling down to you from the Department of State?

HOLLOWAY: No. I got the impression—again, I was very low on the totem pole—and the impression was confirmed when I got back to Washington, the State Department was in a state of shock, and they just didn't know what to do. They had people in a half a dozen posts in China, and they just had to get them out. The amount of guidance they were getting from the secretary or the president was minimal, because the administration was under fairly heavy fire from the China lobby.

MANHARD: The major event that bore on that for all of us in China in the autumn of 1949 was a telegram from the department signed by Acting Secretary Lovett, telling everybody in China that we were the indispensable eyes and ears, we could not be replaced, that China policy was still under very serious debate in Washington, and they wanted us to stay at all costs, and only those with a dire emergency should ask permission to return to the United States.

Approximately a week later, just after the first of January, we get another telegram to all the China posts saying, "Get out and get out immediately." So evidently, at the very end of December or the first few days of January 1950, policy had been decided that we were not going to recognize Communist China and, "We'd better get people out. We don't want any more potential hostages in China." Immediately, the next day, I took the lead, since I was dealing with all the local officials on leaving. I walked in first to the customs office. There was a very gentlemanly, probably non-Party member, as head of that office, whose specialty was dealing with foreigners leaving. So I said, "I would like to request the customs forms for our belongings and so forth we want to take with us." He said, "Why?" I said, "Because our entire office is leaving China as soon as possible." He looked like he'd been hit by a thunderbolt. He was very alarmed, unhappy, and I could only interpret his reaction to mean, "Oh, my God, are we going to go to war?" He was well into his sixties, I would estimate, and he'd been through a lot, the Japanese occupation and everything else, and he'd seen war conditions. He said, "Are you sure you're not going to stay?" He didn't say, "I hope you'll stay," but he implied that.

So after maybe two or three weeks, we got another telegram from the department, "What are you doing to get out of China? Why aren't you obeying our directives?" We tried to patiently explain that we were trying to obey it, but there were certain serious problems that we could not leave without permission of the Chinese Communist authorities, which didn't seem to be very well understood in Washington.

HOLLOWAY: The final act came when the Beijing authorities attempted to requisition French, British, Dutch, and American property, which had been turned over as a consequence of the Boxer conventions at the turn of the century, for military barracks.[34] And they wanted them back. We claimed they were confiscating American government property, and if they were going to do this, we were going to withdraw our consuls from China. Now, frankly, the political sophistication that came up with that kind of an argument is pretty low. The British, Dutch, and French figured a way to finesse it. We chose to make a stand on that issue. Acheson was a lawyer, and he fought a good legal case. But it was a very bad political case. On the other hand, given our backing of the Nationalists, it was obvious there was nothing for us to do.

VAN OSS: From that time on, just about all of our activities were related to closing down the consulate general and arranging for our evacuation. We also announced to all American citizens in China that the bell had now rung and if they wanted to leave China we would take them out with us. Once we were gone we couldn't guarantee the safety of or be responsible for any Americans remaining in China. We couldn't answer for what might happen to them afterwards. Some of the missionaries announced to us they would stay. As things turned out, they too had to leave eventually.

The business of trying to leave certainly was not easy. Once you got your exit permit you had to put an advertisement in the paper stating that you were going to leave on such and such a date. You had to have an exact departure date. This advertisement was supposed to indicate to anybody who had any claim whatsoever on you that you were going to leave and that you would settle all claims. Now this wasn't as easy as it sounded, because a lot of servants held their masters up and forced them to pay a year's separation pay and so on. A lot of the businessmen were being very brutally treated by their labor force. Kept awake all night bargaining, etc. Fortunately we didn't have that trouble because we were on good terms with our cook and amah and gave them as much as we could.

VAN OSS: If the ship, or whatever it was we hoped to go out on, didn't arrive, then we had to redo the whole business every month. So we had to go through roughly the same procedure on a monthly basis. This was a rather painful process.

BACON: Since everybody was likely to have some claims outstanding, pos-

sible claims by Chinese employees, personal employees, possible debts to local suppliers, everybody of course, paid up—it didn't amount to much. But the Communists demanded that a guarantor be provided for each person departing who could be held liable for any claims that might arise after the member departed. I was chosen to be the guarantor. I signed altogether upwards of 30 such, but when they finally wanted us all out, bingo. Nothing more was said about these things. A few [foreigners], necessarily, in Shanghai and Guangzhou for trade, but otherwise the whole of China was going to be a closed box, with no foreigners except Soviets admitted.

How did you get a departure date?

VAN OSS: Well now this was another laborious process. It wasn't very easy because the Nationalists had imposed a naval blockade on Shanghai and were bombing Shanghai in a rather desultory fashion. They would send a plane or two over every day and drop one or two or five or six bombs. They had armed ships out beyond the harbor entrance to enforce the blockage. And, what was worst in our eyes, was that our own government didn't want to break the blockade even to help get us out. They were on the side of the Nationalists. We were sort of annoyed. We felt that our lives and welfare should have been uppermost in our government's mind and that it should have insisted that an evacuation ship be allowed to enter. Finally we worked out, after a long hard negotiation, a scheme whereby we were to go by train to Tianjin, leave Tianjin harbor by barge, which would take us out over the bar where we would transfer from the barge to the *General Gordon*. The exodus finally took place in April 1950.

Does that mean that everyone was gone? The embassy was closed?

VAN OSS: All the official personnel were out. I would say almost all of the American citizens were out. But some were not. Some of the businessmen stayed. For example, there was a man named Bill Orchard who was head of the American Express bank in Shanghai. He had to stay because many Chinese had deposited money in his bank years before. In the meantime inflation had taken its toll. The bank wanted to return to them the actual amount they had originally deposited. But they said they

wanted what the original deposit was worth now. So they wouldn't let him leave.

Were we trying to get the missionaries out?

HOLLOWAY: Yes. After we were leaving, we pointed out that we could no longer protect them. Not that we could protect them very much when we were there. We advised Americans to leave China. Obviously, some businessmen stayed. Chase and National City kept on functioning to a limited extent. Many of these men, of course, this was their lives. They didn't have an institution like the State Department to go back to which would send you out to another job.

CLOUGH: The British, in January 1950, recognized the People's Republic of China, which had been established on the first of October 1949. But they were not allowed, immediately, to set up an embassy in Beijing, which was the new capital. The British had to send a negotiating team to Beijing to negotiate the terms under which they would establish a mission there after they had recognized. They had a special problem that nobody else had. They had a consulate in Tamsui in Taiwan, which they didn't close down. Taiwan, of course, was still under the control of the Nationalists. The Communists wanted them to close that down, and they refused. As a result, the British were not able to send an ambassador to Beijing for about 20 years, until the early '70s, when they finally closed their Tamsui consulate. They had only a chargé d'affaires in Beijing.

HOLLOWAY: This was, of course, the big question, where were we split with the British and where the split was to continue for years. Do you stay and try to do business with these people, or do you declare them beyond the pale and get out? The British, who had never gotten along with the Nationalists as well as we had, they thought the Communists might work out [and formally recognized the PRC on January 6, 1950]. We thought otherwise.

But as you know, we were left there after the thing, after the capture, with the hope that there might be some eventual development. So that had there been any political will to reach an agreement with the Chinese Communists, we had plenty of time. Shanghai fell in May—May 24th, 1949. The People's Republic was proclaimed on October 1, '49. So we had plenty of time to make up our minds whether we wanted to recog-

nize them. We chose not to; we were going to let the dust settle, as Dean Acheson said. It was all, of course, tied up with the China Lobby politics in the United States, and it became politically impossible for Truman to take that step.

DEVELOPMENTS IN TAIWAN

With the end of the Pacific War, the island of Taiwan reverted to Chinese control by agreement of the wartime allies at Cairo (1943), Teheran (1944), and Potsdam (1945). The Nationalists, however, reclaimed Taiwan as an occupying rather than liberating force, treating the people as collaborators with their Japanese overlords and indiscriminately looting the island. They excluded the Taiwanese from political participation and introduced inflation, corruption, and disease. American Foreign Service officers were pessimistic about the ability of the Nationalists to sustain their rule under such circumstances.

OSBORN: The situation in China was disintegrating badly in 1949. It was becoming obvious that the government of Chiang Kai-shek—the GMD—would very likely end up going to Taiwan; or at least that was a strong possibility. So it was of interest to the United States, and the Department of State, whether the situation in Taiwan would be stable enough to allow Chiang to take refuge there. The GMD's misrule in Taiwan, in 1947, had already provoked an uprising there, in which some thousands of people were killed [the February 28 Incident]; and there was some possibility that the Taiwanese might not exactly welcome Chiang Kai-shek.[35]

At any rate, the Department of State wanted to get a fix on the situation in Taiwan. Now the people in Taiwan, at that time, spoke Japanese. They had been through the Japanese educational system, and it was possible to communicate with them in Japanese. I happened to be, probably, the most available Japanese language speaker at that time, so I was sent to Taiwan.

We were all—on Taiwan—debating the pros and cons of a United States commitment to Taiwan; the argument being between those who felt that the United States had been pouring sand down a rat hole in trying to help the forces of Chiang Kai-shek, and the forces of the China

Lobby who argued that we had never aided Chiang Kai-shek enough, and we should now do more. This debate was so powerful that we all became engaged in it.

The old China hands had—during the war—tended to favor working toward some kind of mutual understanding with the Chinese Communists, which would avoid conflict there. Whereas there were many people who assumed that conflict between us and Communist China eventually was inevitable, and that we should simply prepare ourselves for it. These debates were going back and forth, and that's how the Strait issue assumed its most urgent form.

MARTIN: What I do remember about that fall of '49, particularly, was several things. One was the fact that the Communists failed to take Jinmen [Quemoy]. That is something you can't blow up too much, but perhaps hasn't been given enough attention. That was a real morale boost. After all, the Nationalists, in the last six months, had been swept so easily away. But the Communists obviously underestimated the will to fight—maybe it was the combination of will to fight plus the difficulty of making this rather short but still amphibious attack. They were beaten back, and they didn't try it again.

Another interesting thing that happened during that period in Taiwan was a rather ambiguous message which came from the State Department at the end of October, which we were supposed to go to Chiang Kai-shek with, which said, in effect, that we thought that the Nationalists had enough materiel and equipment and so forth on Taiwan to defend the island adequately. The message was sort of mixed, because on the one hand, it was the first communication we had sent from Washington to Chiang Kai-shek since he'd retired.[36] It was sort of an acknowledgment that he was the head man, although at that time he had not yet actually reassumed his title. So in a sense, it was a kind of a boost for him. On the other hand, it wasn't a very clear-cut statement of just what we were going to do.

Ambassador [Philip] Jessup came over.[37] It was in January of '50. It was right around in there. He had an interview with Chiang Kai-shek, in which I was present. Chiang did most of the talking. He thought it was a matter of time before Japan went communist, and Southeast Asia was bound to go the same way. War between the U.S. and the Soviet Union was inevitable. Conclusion: the U.S. must support his anti-communist fight. Our own military estimates were that it was just a matter

of time before the communists would attack Taiwan and that they would be able to conquer it. There was a lot of reporting about the fact that the Communists were massing junks on the Fujian coast. Another indication of what the State Department anticipated was that we evacuated dependents, especially families with children, and we cut down on the staff in anticipation that there would be an invasion.

VAN OSS: Another policy aim [for the Communists], of course, was to go across to Taiwan, defeat the Nationalist forces and capture the "running dog," Chiang Kai-shek. Little kindergarten kids, instead of playing ring-around-the-rosy, performed little skits about rowing across the Straits, catching Chiang Kai-shek, and then pretending to beat up the child playing the part of Chiang with pillows.

Why do you think the Communists did not actually attack Taiwan during that period?

MARTIN: They were, as I said, surprised by their failure on Jinmen, and this was a heck of a lot bigger operation. They needed to accumulate a lot of transport and get a lot more training and perhaps try to get air superiority.

Another reason might have been that, after all, they had launched their offensive across the Yangzi at Nanjing in April of 1949, and in the next six months they had taken all of South China, and by the fall of 1949, late fall, they had taken most of West China as well. It was enormous territory. And then they had set up their government. It was set up on the first of October 1949. In other words, they had a lot of things that were preoccupying them, and having been set back at Jinmen, they probably just hadn't been able to organize and prepare well enough.

Were you puzzled at the time by American policy?

MARTIN: Yes, I remember that we were puzzled. We didn't really know what the signal was supposed to be. It was sort of, "We wish you all sorts of success, and we think you can defend the island. You've got enough matériel here and so forth," but we were very cautious about any kind of support we were going to commit ourselves to. We felt rather unhappy that we were getting such mixed signals, that we were not getting more clear-cut—it sort of left us in a difficult position.

Did you feel you were in any position to influence policy from Washington at this time?

MARTIN: Well, Bob Strong [Robert C. Strong, chargé d'affaires] was in charge, and was a person who was quite outspoken. Strong was very skeptical of the capabilities of the GRC [Government of the Republic of China] to do any better and to hold out. He had very little faith that Taiwan would last. So the mood, in other words, is well reflected in Truman's statement that the U.S. would keep hands off Taiwan.[38]

Did you formulate an impression of how well or badly the Guomindang was administering Taiwan?

MARTIN: Well, we didn't feel that they were administering it too well, but there was an improvement as compared to the time of Governor Ch'en Yi, which was in '47, when they had the riots and so forth. You still got overtones of that from the Taiwanese. But in fact, due in large part to our stimulus, under Governor Ch'en Ch'eng (who was the governor in '49, replaced by K.C. Wu about the end of that year or beginning of '50) there was a land reform program going on there which was one of the best land reform programs that I know of anywhere in that part of the world. Under this land reform program, large landowners were deprived of the land which they had over a reasonable minimum. They were compensated partly in rice and partly in industrial bonds. This was administered by a joint Chinese-U.S. organization, the Joint Commission on Rural Reconstruction [JCRR].[39] The Chinese side's man was Chiang Mon-lin. He was the chairman. On the U.S. side Ray Moyer was the principal member. It gave the Taiwanese a stake in the industrialization of Taiwan, and we all know how successful that's been in the long run. It led also to an increase in agricultural production in Taiwan.

GRANT: Chiang Mon-lin was really one of the great men I've ever dealt with, and earned the faith of the Taiwan peasant. They did all the things that are needed to make land reform work, setting up marketing cooperatives, credit cooperatives, seed purchasing organizations. In other words, really mobilizing the farm sector. That was a tremendous advantage for Chiang Kai-shek. The Taiwanese anti-Guomindang movement, the people who were trying to get the Guomindang out of Taiwan, had very little support in the countryside because of Chiang Mon-lin.

MARTIN: The program was well administered, and it was probably because the Nationalists were fairly desperate then. Certainly land reform on the mainland, if it had been carried out like this, might have been quite decisive in the future of China. But by the time we came to Taiwan, the Nationalists were more amenable to do what we advised. Also, Taiwan's a small place, and it's much easier to do it there than it was in a very large land mass with a huge population.

Under the Japanese, of course, Taiwan had become more developed than probably any single province in China. I remember being impressed when I first went there by the fact that electricity was very widely available in small towns and that it was so cheap that people would keep the lights burning in their little shops all day. You have to be very cautious about saying, "Well, if they'd only done this on the mainland." It was a lot easier in Taiwan. But they did do it; I think that's important.

You got to know Chiang Ching-kuo.

MARTIN: Yes. Chiang Ching-kuo was an enigma in a way. He came there from Shanghai with a rather bad reputation. He was a fairly young guy. He had studied in Russia and he had a Russian wife. I didn't have a great deal of business to take up with him, but I found him fairly easy to talk to and less dogmatic than his father seemed to be, although I can't say I ever got really well acquainted with Chiang Kai-shek. Ching-kuo was a person that seemed to me to be more realistic about going back to the mainland. Naturally, that was the line, and nobody was going to undercut it, but he struck me as being a fairly down-to-earth, practical sort of guy. Obviously, he was prepared to execute people, and he did. But he wasn't a dogmatic tyrannical person at all. That was not my impression of him.

ON THE EVE OF THE KOREAN WAR

During the early months of 1950, as Mao Zedong labored to consolidate his new government, Kim Il Sung confronted a far less favorable environment. Although he had assistance from the Soviet Union, he contended with political rivals in North Korea and a determined foe to the south—a foe who's lack of domestic popularity was offset by support from the United States.

But it appeared that Washington's aid would not extend to the battlefield, and so Kim was able, after repeated attempts, to persuade Stalin and Mao to agree to let him wage a campaign to reunify Korea. Mao may have been reluctant to risk distraction from his own internal agenda, but could not say no to Kim, so China offered encouragement and took measures to put troops in place to protect China and rescue Kim should that prove necessary.

MANHARD: [A mysterious neighbor in Tianjin told me] "There will be very soon, we don't know exactly when, an all out offensive against South Korea. There will be more Chinese forces coming through Tianjin en route to Manchuria. We don't know whether they will participate in the initial offensive against South Korea with the North Korean troops, whether the North Korean troops alone will conduct the initial offensive with the Chinese troops in backup positions within North Korea, or whether the Chinese troops in that case would be held on the Chinese side in a back position in the case of need. Please tell my friend Mr. Freeman." On the fourth of June, boiling hot, opening of business on Monday morning, I went straight to see Tony Freeman. A week later he said, "I checked it out with the Korean desk, and they said there was nothing to that because there's no indication of anything happening in North Korea, and our main problem now is to prevent Syngman Rhee [president of the Republic of Korea] from marching north. That's our main problem in Korea." What could I do?

GREEN: What I can't remember historically is exactly what the line was that we were about to take in the time when the Korean War broke out. I think we were beginning to consider quite seriously at that time whether we shouldn't move our policy towards recognizing the realities of Mainland China, that the Chinese had taken over, and that they did represent one-quarter of humanity, and that we had to have some kind of relationship with them. I think Acheson was thinking that way. I'm sure that this was a line of thought that was widely shared. I'm sure that men like Walton Butterworth, who was the assistant secretary of state for East Asian Affairs at that time, thought that way. I was very close to him. I was working on Japanese affairs; that's why I'm not completely clear as to what all the details were. But had the war in Korea not intervened, it is possible that our China policy could have moved in a different direction.