



LIBRARIES

UNIVERSITY OF WISCONSIN-MADISON

Foreign relations of the United States, 1955-1957. China. Volume III 1955/1957

United States Department of State

Washington, D.C.: U.S. Government Printing Office, 1955/1957

<https://digital.library.wisc.edu/1711.dl/G5OAT7XT7HRHX84>

As a work of the United States government, this material is in the public domain.

For information on re-use see:

<http://digital.library.wisc.edu/1711.dl/Copyright>

The libraries provide public access to a wide range of material, including online exhibits, digitized collections, archival finding aids, our catalog, online articles, and a growing range of materials in many media.

When possible, we provide rights information in catalog records, finding aids, and other metadata that accompanies collections or items. However, it is always the user's obligation to evaluate copyright and rights issues in light of their own use.

FOREIGN
RELATIONS
OF THE
UNITED
STATES

1955-1957

VOLUME III

CHINA

JX
233
.A1
1955/57
v.3



DEPARTMENT
OF
STATE

Washington



University of Michigan-Flint Library



4 9015 00221 2968

PROPERTY OF

*University of
Michigan
Libraries*

1817



FLINT COLLEGE

DEPOSITORY

OCT 24 1986

DOCUMENT





Foreign Relations of the United States, 1955-1957

Volume III

China

Editor in Chief John P. Glennon

Editors Harriet D. Schwar
Louis J. Smith

DEPARTMENT OF STATE PUBLICATION 9451

OFFICE OF THE HISTORIAN

BUREAU OF PUBLIC AFFAIRS

Preface

The publication *Foreign Relations of the United States* constitutes the official record of the foreign policy of the United States. The volumes in the series include, subject to necessary security considerations, all documents needed to give a comprehensive record of the major foreign policy decisions of the United States together with appropriate materials concerning the facts which contributed to the formulation of policies. Documents in the files of the Department of State are supplemented by papers from other Government agencies involved in the formulation of foreign policy.

The basic documentary diplomatic record printed in the volumes of the series *Foreign Relations of the United States* is edited by the Office of the Historian, Bureau of Public Affairs, Department of State. The editing is guided by the principles of historical objectivity and in accordance with the following official guidance first promulgated by Secretary of State Frank B. Kellogg on March 26, 1925.

There may be no alteration of the text, no deletions without indicating where in the text the deletion is made, and no omission of facts which were of major importance in reaching a decision. Nothing may be omitted for the purpose of concealing or glossing over what might be regarded by some as a defect of policy. However, certain omissions of documents are permissible for the following reasons:

- a. To avoid publication of matters which would tend to impede current diplomatic negotiations or other business.
- b. To condense the record and avoid repetition of needless details.
- c. To preserve the confidence reposed in the Department by individuals and by foreign governments.
- d. To avoid giving needless offense to other nationalities or individuals.
- e. To eliminate personal opinions presented in despatches and not acted upon by the Department. To this consideration there is one qualification—in connection with major decisions it is desirable, where possible, to show the alternative presented to the Department before the decision was made.

Documents selected for publication in the *Foreign Relations* volumes are referred to the Department of State Classification/Declassification Center for declassification clearance. The Center reviews the documents, makes declassification decisions, and obtains the clearance of geographic and functional bureaus of the Department of State, as well as of other appropriate agencies of the government.

The Center, in coordination with the geographic bureaus of the Department of State, conducts communications with foreign governments regarding documents or information of those governments proposed for inclusion in *Foreign Relations* volumes.

Harriet D. Schwar and Louis J. Smith of the Office of the Historian compiled this volume under the supervision of John P. Glennon. David W. Mabon provided planning and direction for the volume and conducted the initial editorial review. Lynn Chase and Rosa D. Pace prepared the lists of sources, names, and abbreviations.

The Documentary Editing Section of the Publishing Services Division (Paul M. Washington, Chief) performed technical editing under the supervision of Rita M. Baker. The Twin Oaks Indexing Collective prepared the index.

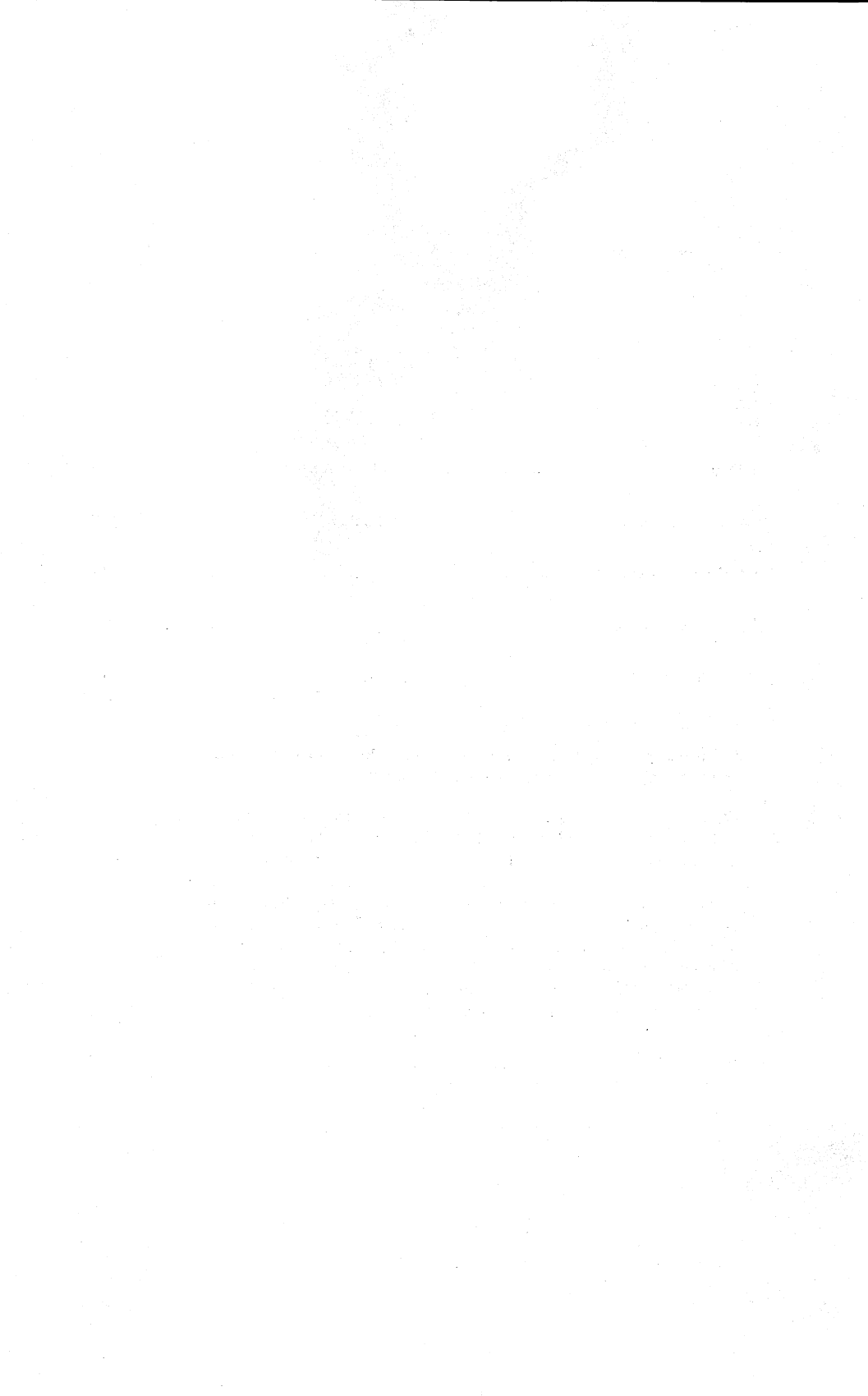
William Z. Slany

The Historian

Bureau of Public Affairs

Contents

Preface	III
Note.....	VII
List of Unpublished Sources.....	IX
List of Abbreviations and Symbols	XV
List of Persons.....	XIX
 United States policy with regard to the People's Republic of China and the Republic of China, August 1955–December 1957:	
The Ambassadorial talks at Geneva between representatives of the United States and the People's Republic of China; negotiation of the Agreed Announcement of September 10, 1955, on the repatriation of Chinese and American civilians; discussions at Geneva concerning a possible mutual declaration of renunciation of force; the Republic of China's concern at the course of the Geneva talks; U.S. policy concerning possible travel by Americans to the People's Republic of China; the decision to base Matador missiles on Taiwan; the Taipei riot of May 1957; Secretary Dulles' statement of June 1957 on U.S. policy toward China; the end of the Ambassadorial talks at Geneva	1
Index	677

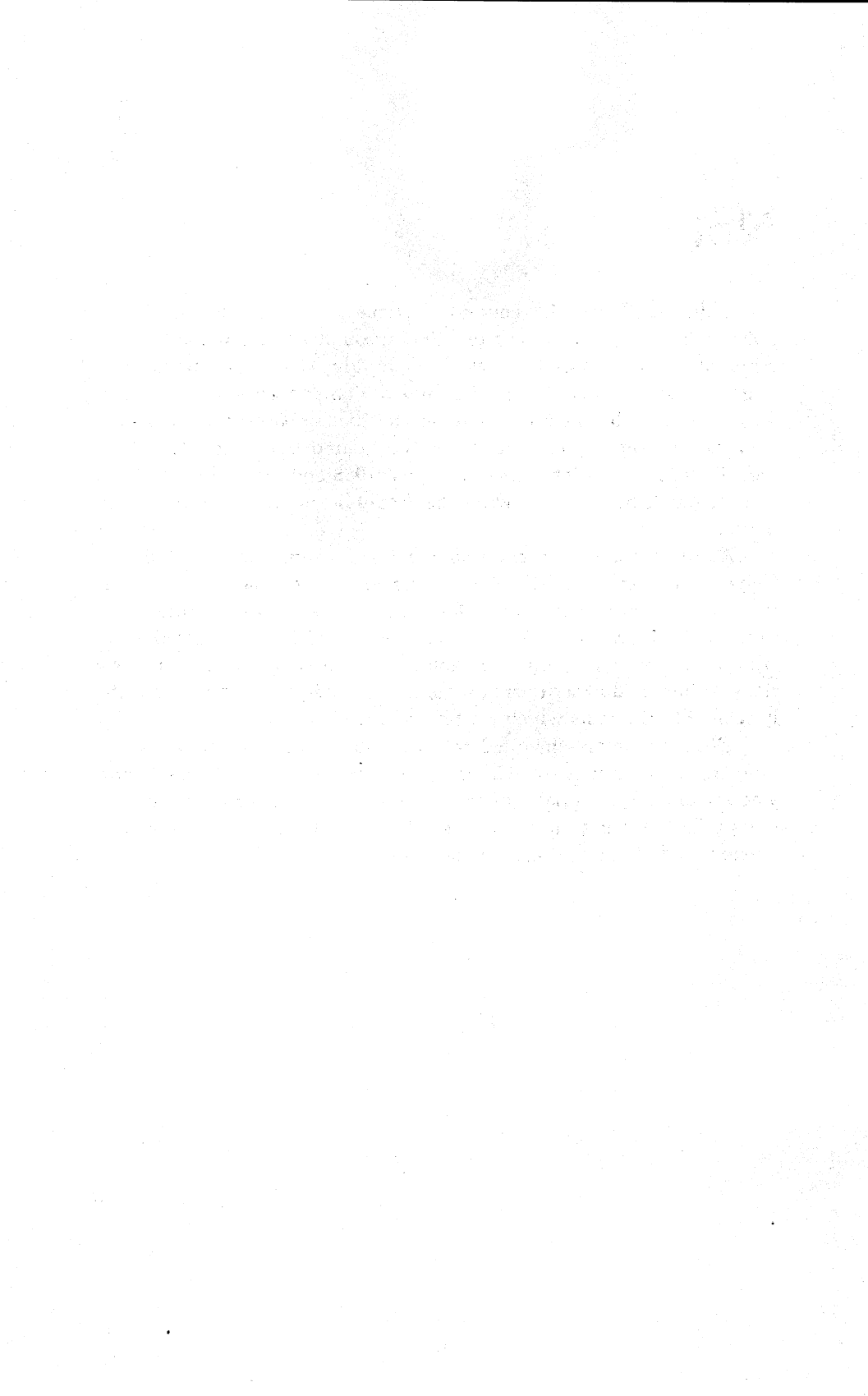


Note

Volumes II and III contain documentation on United States policy with regard to China from 1955 through 1957. Volume II, covering the period from January through July 1955, documents U.S. policy in the Taiwan Strait crisis and diplomatic efforts to end the crisis. Volume III includes material on the ambassadorial talks at Geneva between representatives of the United States and the People's Republic of China between August 1955 and December 1957, as well as on U.S. relations with the Republic of China during that period.

Additional documentation concerning the ambassadorial talks at Geneva is being published in a microfiche supplement to this volume. The supplement reproduces all of the reports on the talks sent to the Department by the U.S. representative, Ambassador U. Alexis Johnson, along with his comments, the Department's instructions to him, and other related materials, including documents directly related to the talks which are printed in this volume.

Other volumes scheduled for subsequent publication will contain material related to China. Compilations with a significant amount of such material will include those on U.S. national security policy, East Asian security, issues relating to United Nations membership, and U.S. economic defense policy.



List of Unpublished Sources

Department of State

1. **Indexed Central Files.** Papers in the indexed central files of the Department for the years 1955–1957 are indicated by a decimal file number in the first footnote. Among the most useful of these files are 110.11–DU, 121.93, 293.1111, 293.9322, 396.1–GE, 611.93, 611.95A241, 670.901, 711.11–EI, 7711.5800, 793.00, 793.5, 793.5–MSP, and 911.6293.

2. **Lot Files.** Documents from the central files have been supplemented by lot files of the Department, which are decentralized files created by operating areas. A list of the lot files used in or consulted for this volume follows:

CA Files, Lot 59 D 110

Consolidated political files on China for the years 1954–1955, as maintained by the Office of Chinese Affairs. (Combines 59 D 110 and 64 D 230.)

CA Files, Lot 60 D 171

Economic files on China for the years 1954–1956 and political files for the year 1956, as maintained by the Office of Chinese Affairs.

CA Files, Lot 60 D 648

Political files maintained by the Office of Chinese Affairs for the year 1957.

CA Files, Lot 67 D 579

Top Secret files relating to China for the years 1956–1965, as maintained by the Office of Chinese Affairs and later by the Office of East Asian Affairs.

Conference Files, Lot 59 D 95

Collection of documentation on official visits by ranking foreign officials, and on major international conferences attended by the Secretary of State, for the years 1949–1955, as maintained by the Executive Secretariat.

Conference Files, Lot 60 D 627

Collection of documentation on visits to the United States by ranking foreign officials, and on major international conferences attended by the Secretary of State for the years 1953–1955, as maintained by the Executive Secretariat.

X List of Unpublished Sources

Conference Files, Lot 62 D 181

Collection of documentation on visits to the United States by ranking foreign officials, and on major conferences attended by the Secretary of State for the years 1956–1958, as maintained by the Executive Secretariat.

Conference Files, Lot 63 D 123

Collection of documentation on visits to the United States by ranking foreign officials and on major international conferences attended by the Secretary of State for the period 1955–1958, as maintained by the Executive Secretariat.

EUR Files, Lot 59 D 233

Files of the Office of the Assistant Secretary of State for European Affairs for the years 1945–1957.

FE Files, Lot 56 D 679

Files maintained by the Bureau of Far Eastern Affairs for the year 1955, including country files, memoranda of conversation, and conference files.

FE Files, Lot 58 D 209

Files of the Deputy Assistant Secretary for Far Eastern Economic Affairs for the years 1954–1957.

FE Files, Lot 59 D 19

Files maintained by the Bureau of Far Eastern Affairs for the year 1957.

FE Conferences Files, Lot 60 D 514

Files of conferences and meetings maintained by the Bureau of Far Eastern Affairs for the years 1956–1958.

FE/EA Files, Lot 66 D 225

Files relating to China, Japan, and Korea for the year 1964, with some files for the years 1954–1963, as maintained by the Office of East Asian Affairs and its predecessors, the Office of Chinese Affairs and the Office of Northeast Asian Affairs.

Geneva Talks Files, Lot 72 D 415

Files relating to the Sino-American ambassadorial talks at Geneva and Warsaw for the years 1955–1968, as maintained by the Office of Chinese Affairs and later by the Office of East Asian Affairs and the Office of Asian Communist Affairs.

INR Files, Lot 58 D 776

Country, subject, and administrative files relating to U.S. intelligence organizations and activities for the years 1945–1960, as maintained by the Office of the Director of the Bureau of Intelligence and Research.

INR–NIE Files

Files of National Intelligence Estimates, Special Estimates, and Special National Intelligence Estimates, retained by the Directorate for Regional Research, Bureau of Intelligence and Research.

IO Files, Lot 60 D 113

Consolidated files of the Office of the Assistant Secretary of State for International Organization Affairs for the years 1955-1957. (Combines 60 D 113 and 58 D 17.)

OCB Files, Lot 61 D 385

Master set of administrative and country files of the Operations Coordinating Board for the years 1953-1960, as maintained by the Operations Staff.

OCB Files, Lot 62 D 430

Master files of the Operations Coordinating Board for the years 1953-1960, as maintained by the Executive Secretariat.

PPS Files, Lot 66 D 70

Policy Planning Staff subject, country, and chronological files for the year 1955.

PPS Files, Lot 62 D 487

Subject files, country files, chronological files, documents, drafts, and related correspondence of the Policy Planning Staff for the year 1956.

PPS Files, Lot 67 D 548

Policy Planning Staff subject, country, and chronological files for the years 1957-1961.

Presidential Correspondence, Lot 66 D 204

Exchanges of correspondence between the President and heads of foreign governments for the years 1953-1964, as maintained by the Executive Secretariat.

President Memoranda of Conversation, Lot 66 D 149

A chronological record of cleared memoranda of conversations with foreign visitors for the years 1956-1964, as maintained by the Executive Secretariat.

Rankin Files, Lot 66 D 84

Files maintained by Karl L. Rankin during his tours of duty at Athens, Vienna, Canton, Hong Kong, Taipei, and Belgrade, 1932-1961.

ROC Files, Lot 71 D 517

Top Secret files relating to China for the years 1954-1963, as maintained by the Office of Chinese Affairs and subsequently by the Office of East Asian Affairs.

Secretary's Memoranda of Conversation, Lot 64 D 199

Chronological collection of the Secretary of State's memoranda of conversation for the years 1953-1960, as maintained by the Executive Secretariat.

Secretary's Staff Meetings, Lot 63 D 75

Chronological collection of the minutes of the Secretary's staff meetings during the years 1952-1960, as maintained by the Executive Secretariat.

S/P-NSC Files, Lot 61 D 167

Serial file of memoranda relating to National Security Council questions for the years 1950-1961, as maintained by the Policy Planning Staff.

XII List of Unpublished Sources

S/P-NSC Files, Lot 62 D 1

Serial and subject master file of National Security Council documents and correspondence for the years 1948-1961, as maintained by the Policy Planning Staff.

S/PRS Files, Lot 77 D 11

Collection of record sets of volumes of Daily Press Briefings for the years 1922-1970, as maintained by the Office of Press Relations.

S/S-NSC Files, Lot 63 D 351

Serial master file of National Security Council documents and correspondence, and related Department of State memoranda for the years 1947-1961, as maintained by the Executive Secretariat.

S/S-NSC (Miscellaneous) Files, Lot 66 D 95

Administrative and miscellaneous National Security Council documentation, including NSC Records of Action, for the years 1947-1963, as maintained by the Executive Secretariat.

State-JCS Meetings, Lot 61 D 417

Top Secret records of meetings between the Joint Chiefs of Staff and representatives of the Department of State for the period 1951-1959 and selected problem files on the Middle East for the period 1954-1956, as maintained by the Executive Secretariat.

UNP Files, Lot 58 D 742

Miscellaneous subject files of the Office of United Nations Political and Security Affairs for the years 1945-1957.

UNP Files, Lot 62 D 170

United Nations subject files, 1947-1960, as maintained by the Office of United Nations Political Affairs.

Department of Defense

Department of Defense Files

Documents received by the Office of The Historian from the Department of Defense by request.

The Joint Chiefs of Staff

JCS Files

Documents received upon request by the Office of The Historian from the Secretariat of the Joint Chiefs of Staff.

Naval Historical Division, Washington, D.C.

Radford Papers

The personal papers of Admiral Arthur W. Radford, Commander in Chief, Pacific (1949-1953), and Chairman of the Joint Chiefs of Staff (1953-1957).

United States Army Military History Institute, Carlisle Barracks, Pennsylvania.

Ridgway Papers

Papers of General Matthew B. Ridgway, Chief of Staff, U.S. Army, August 15, 1953–June 30, 1955.

Dwight D. Eisenhower Library, Abilene, Kansas

Dulles Papers

Records of John Foster Dulles, 1952–1959.

Hagerty Papers

Papers of James C. Hagerty, Press Secretary to the President, 1953–1961.

Herter Papers

Papers of Christian A. Herter, 1957–1961. Herter was Under Secretary of State, 1957–1959, and Secretary of State, 1959–1961.

President's Daily Appointments

From White House Office Files, Records of the Office of the Special Assistant for Executive Appointments, 1952–1961.

Staff Secretary Records

Records of the Office of the White House Staff Secretary, 1952–1961, including records of Paul T. Carroll, Andrew J. Goodpaster, L. Arthur Minnich, Jr., and Christopher H. Russell.

White House Central Files

Records of Dwight D. Eisenhower as President, 1953–1961. Documents cited in this volume are from the Confidential File within this collection.

Whitman File

Papers of Dwight D. Eisenhower as President of the United States, 1953–1961, maintained by his personal secretary, Ann C. Whitman. The Whitman File includes the following elements: the Name Series, the Dulles-Herter Series, Eisenhower Diaries, Ann Whitman (ACW) Diaries, National Security Council Records, Miscellaneous Records, Cabinet Papers, Legislative Meetings, International Meetings, the Administration Series, and the International File.

National Archives, Washington, D.C.

JCS Records

National Archives Record Group 218, Records of the Joint Chiefs of Staff and the Chairman of the Joint Chiefs of Staff.

XIV List of Unpublished Sources

Princeton University Library, Princeton, New Jersey

Dulles Papers, Daily Appointments

Daily log of the meetings and appointments of Secretary of State John Foster Dulles for the years 1953–1959.

Dulles Oral History Collection

Washington National Records Center, Suitland, Maryland

Taipei Embassy Files, Lot 62 F 83

Top Secret files for the years 1953–1958, as maintained by the Embassy in Taipei.

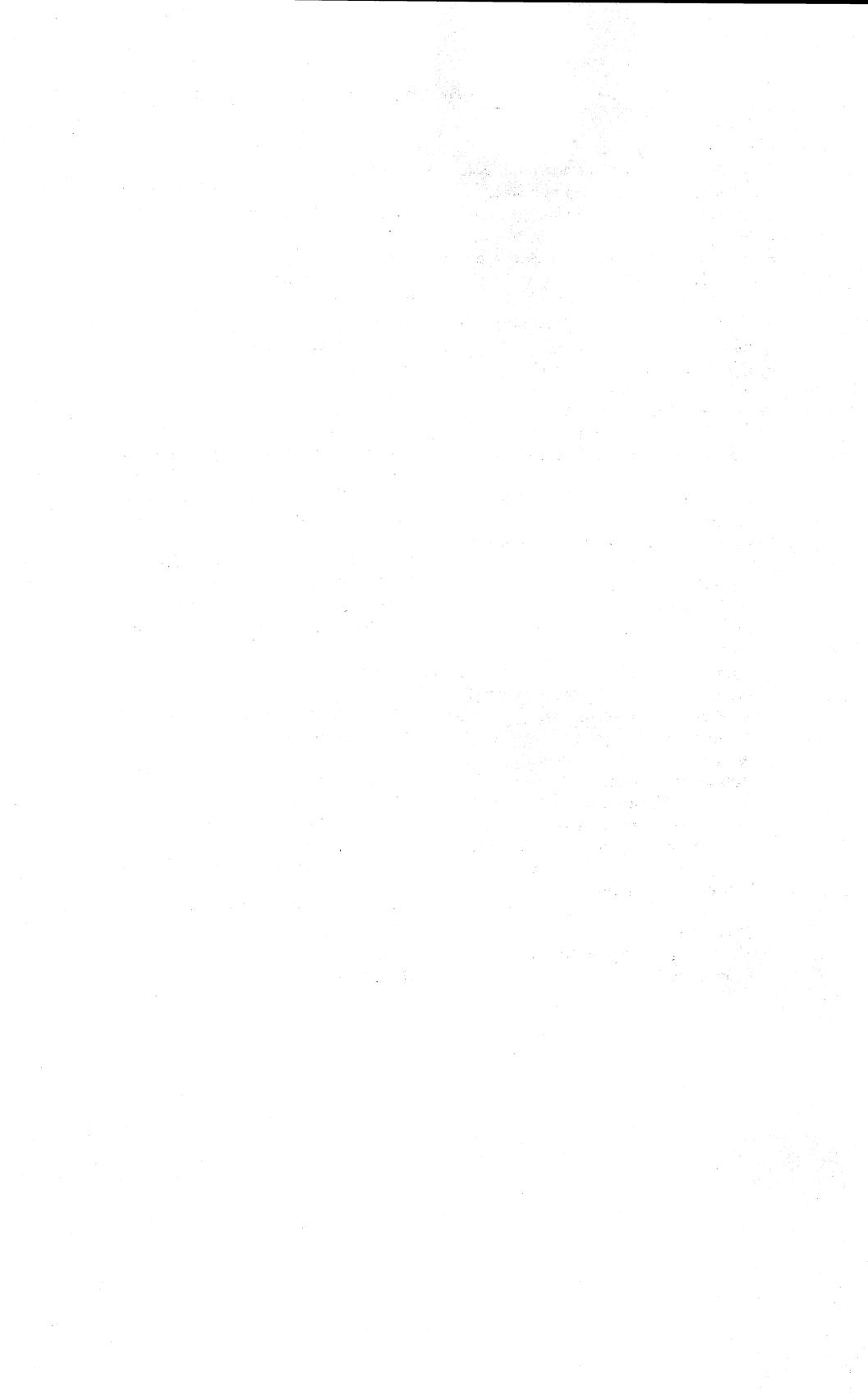
List of Abbreviations and Symbols

- AA**, anti-aircraft
AAA, anti-aircraft artillery
AC&W, aircraft control and warning
ADA, Americans for Democratic Action
ACE, Atomic Energy Commission
AFFE, Army Forces Far East
AG, Adjutant General
ANZUS, Australia, New Zealand, and the United States (the ANZUS Pact nations)
AP, Associated Press
ARC, Annual Review Committee
ATF, fleet ocean tug
BOB, Bureau of the Budget
C, Counselor, Department of State
CA, Office of Chinese Affairs, Department of State
CAF, Chinese Air Force (Republic of China)
CAMG, Office of Civil Affairs and Military Government, Department of the Army
CAT, Civil Air Transport
CCP, Chinese Communist Party
CG AFFE/ARMYEIGHT, Commanding General, Army Forces Far East, Eighth Army
CGUSARPAC, Commanding General, United States Army, Pacific
ChiCom, Chinese Communist
ChiNat, Chinese Nationalist
CHINCOM, China Committee, a permanent working group of the Paris Consultative Group of nations working to control export of strategic goods to Communist countries
CIA, Central Intelligence Agency
CINCFE, Commander in Chief, Far East
CINCPAC, Commander in Chief, Pacific
CINCPACFLT, Commander in Chief, Pacific Fleet
CIO, Congress of Industrial Organizations
CNO, Chief of Naval Operations
COCOM, Coordinating Committee of the Paris Consultative Group of nations working to control export of strategic goods to Communist countries
COMFORM DEFCOM, Commander, Formosa Defense Command
COMSEVENTHFLT, Commander, Seventh Fleet
COMTAIWAN DEFCOM(US), Commander, Taiwan Defense Command
COMUS, Commander, United States Forces
CP, command post
CPPCC, Chinese People's Political Consultative Conference
CPR, Chinese People's Republic
DA, Defense Agency; Department of the Army
Deptel, Department of State telegram
DFS, Direct Forces Support
DOD, Department of Defense
DRF, Division of Research for Far East, Office of Intelligence Research, Department of State
Dulte, series indicator for telegrams from Secretary of State Dulles while away from Washington; also used as series indicator for telegrams to Dulles from the head of the United States Delegation at an international conference
E, Bureau of Economic Affairs, Department of State

XVI List of Abbreviations and Symbols

- EAS, Department of State Executive Agreement Series
ECAFE, Economic Commission for Asia and the Far East
EE, Office of Eastern European Affairs, Department of State
Embdesp, Embassy despatch
Embtel, Embassy telegram
EUR, Bureau of European Affairs, Department of State
FBI, Federal Bureau of Investigation
FBIS, Foreign Broadcast Information Service
FCN, Friendship, Commerce and Navigation (Treaty)
FE, Bureau of Far Eastern Affairs, Department of State
FE/P, Public Affairs Adviser, Bureau of Far Eastern Affairs, Department of State
FEAF, Far East Air Forces
FEC, Far East Command
FMC, Foreign Ministers Conference
FOA, Foreign Operations Administration
Fr, France
FY, Fiscal Year
FYI, for your information
G, Deputy Under Secretary of State for Political Affairs
GA, General Assembly
GATT, General Agreement on Tariffs and Trade
GMT, Greenwich mean time
GNP, gross national product
GOI, Government of India
GOP, Government of Pakistan
GRC, Government of the Republic of China
GVN, Government of Vietnam
HICOM, High Commissioner
HMG, Her Majesty's Government (United Kingdom)
IAC, Intelligence Advisory Committee
IBRD, International Bank for Reconstruction and Development
ICA, International Cooperation Administration
ICBM, Inter-Continental Ballistic Missile
ICC, International Control Commission
ICJ, International Court of Justice
IMF, International Monetary Fund
INR, Bureau of Intelligence and Research, Department of State
INS, Immigration and Naturalization Service
IO, Bureau of International Organization Affairs, Department of State
ISA, Office of International Security Affairs, Department of Defense
JCS, Joint Chiefs of Staff
KMT, Kuomintang (Nationalist Party), Republic of China
L, Legal Adviser, Department of State
LST, landing ship, tank
MAAG, Military Assistance Advisory Group
MAC, Military Armistice Commission
MAP, Military Assistance Program
MDA, Mutual Defense Assistance
MDAP, Mutual Defense Assistance Program
ME, Middle East
MND, Ministry of National Defense (Republic of China)
MSA, Mutual Security Assistance
MSP, Mutual Security Program
MWDP, Mutual Weapons Development Program
NATO, North Atlantic Treaty Organization
Niact, night action; communications indicator requiring attention by the recipient at any hour of the day or night
NIC, National Indications Center
NIE, National Intelligence Estimate
NPC, National People's Congress (People's Republic of China)
NSC, National Security Council
NZ, New Zealand
O, Deputy Under Secretary of State for Administration
OCB, Operations Coordinating Board
OFD, Office of Financial and Development Policy, Department of State
OIR, Office of Intelligence Research, Department of State
OSD, Office of the Secretary of Defense
OSP, offshore procurement
P, Bureau of Public Affairs, Department of State
PASEP, being passed separately
PAO, Public Affairs Officer
PCH&T, packing, crating, handling, and transportation
PL, Public Law
POL, petroleum, oil, and lubricants
POW, prisoner of war

- PRC**, People's Republic of China
PSA, Office of Philippine and Southeast Asian Affairs, Department of State
RCT, regimental combat team
ROK, Republic of Korea
S/MSA, Office of the Special Assistant to the Secretary of State for Mutual Security Affairs
S/P, Assistant Secretary of State for Policy Planning
S/S, The Executive Secretariat, Department of State
SC, United Nations Security Council
SCA, Administrator, Bureau of Security and Consular Affairs, Department of State
SCAP, Supreme Commander, Allied Powers
SEA, Office of Southeast Asian Affairs, Department of State
SEATO, Southeast Asia Treaty Organization
Secto, series indicator for telegraphs from the Secretary of State (or his delegation) at international conferences
SUNFED, Special United Nations Fund for Economic Development
SYG, Secretary-General
TDC, Taiwan Defense Command
Tedul, series indicator for telegrams to Secretary of State Dulles while absent from Washington; also used as series indicator for telegrams from Dulles to the head of the United States Delegation at an international conference
TH, Theater
TO&E, Table of Organization and Equipment
Tosec, series indicator for telegrams to the Secretary of State (or his delegation) at international conferences
U, Office of the Under Secretary of State
U/OP, The Operations Coordinator, Department of State
UK, United Kingdom
UKG, Government of the United Kingdom
UKHC, United Kingdom High Commissioner
UN, United Nations
UNC, United Nations Command
UNCURK, United Nations Commission for the Unification and Rehabilitation of Korea
UNP, Office of United Nations Political and Security Affairs, Department of State
UNTS, United Nations Treaty Series
USAF, United States Air Force
USARMA, United States Army Attaché
USARMLO, United States Army Liaison Officer
USARPAC, United States Army, Pacific
USG, United States Government
USIS, United States Information Service
USOM, United States Operations Mission
USSR, Union of Soviet Socialist Republics
UST, *United States Treaties and Other International Agreements*
USTDC, United States Taiwan Defense Command
USUN, United States Mission at the United Nations
VAdm, Vice Admiral
VOA, Voice of America



List of Persons

Editor's Note. This list is designed to provide ready reference for identification of those persons mentioned most frequently. The identification of the persons on this list is generally limited to positions and circumstances under reference in the volume and is confined to the years 1955-1957. All titles and positions are American unless otherwise indicated. Where no dates are given, the individual usually held the position throughout the period covered by the volume. Chinese names are spelled according to contemporary usage.

- Aldrich, Winthrop W.**, Ambassador to the United Kingdom to February 1957
Ali, Mohammed, Prime Minister of Pakistan to August 1955
Ali Sastroamidjojo, Prime Minister of Indonesia to July 1955, and again March 1956-March 1957
Allen, George V., Assistant Secretary of State for Near Eastern, South Asian, and African Affairs to August 1957; thereafter Ambassador to Greece
Allison, John M., Ambassador to Japan to February 1957; thereafter Ambassador to Indonesia
Anderson, Dillon, Special Assistant to the President for National Security Affairs, April 1955-September 1956; White House Consultant from June 1957
Anderson, Robert B., Deputy Secretary of Defense to August 1955; Secretary of the Treasury from July 1957
Bohlen, Charles E., Ambassador to the Soviet Union to April 1957; Ambassador to the Philippines from June 1957
Bowen, General Frank Sayles, Jr., USA, Commanding General, Military Assistance Advisory Group, Taiwan, from August 1956
Bowie, Robert R., Director of the Policy Planning Staff, Department of State, to August 1955; Assistant Secretary of State for Policy Planning, August 1955-August 1957
Brownell, Herbert, Jr., Attorney General of the United States
Brucker, Wilber M., General Counsel, Department of Defense, to July 1955; thereafter Secretary of the Army
Bulganin, Marshal Nikolai Alexandrovich, Soviet Minister of Defense to February 1955; thereafter Chairman of the Soviet Council of Ministers and Members of the Presidium of the Communist Party of the Soviet Union
Burke, Admiral Arleigh A., USN, Chief of Naval Operations from August 1955
Cabell, Lieutenant General Charles P., USAF, Deputy Director of Central Intelligence
Carney, Admiral Robert B., USN, Chief of Naval Operations to August 1955
Chang Han-fu, Vice Minister of Foreign Affairs of the People's Republic of China

XX List of Persons

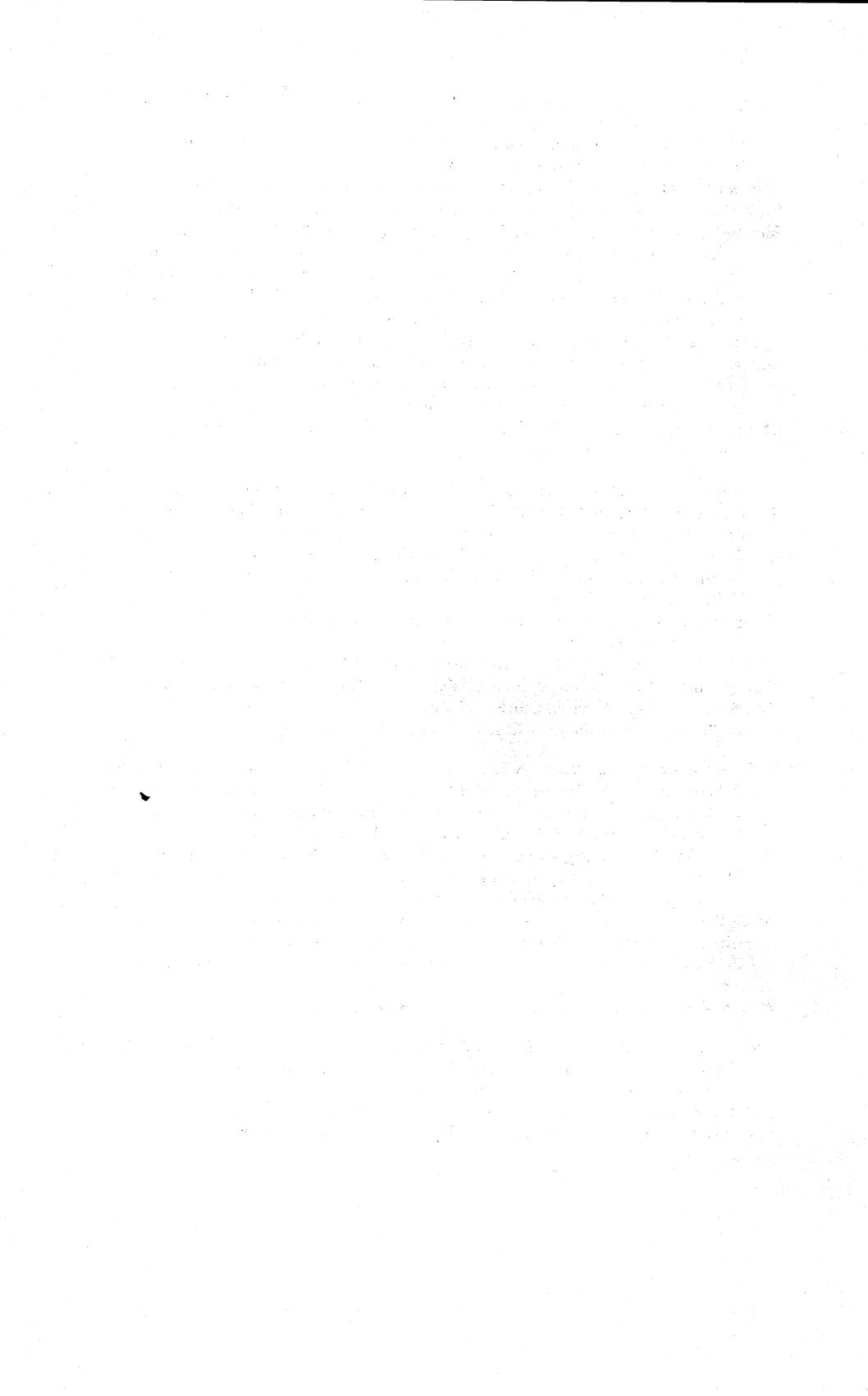
- Chase, Major General William C.**, USA, Chief, Military Assistance Advisory Group, Formosa, to July 1955
- Ch'en Ch'eng**, Vice President of the Republic of China
- Chiang Ching-kuo**, Lieutenant General, Deputy Secretary General of the National Defense Council, Republic of China
- Chiang Kai-shek**, Generalissimo, President of the Republic of China
- Chou En-lai**, Premier and Foreign Minister of the People's Republic of China
- Chou Shu-kai**, Vice Minister of Foreign Affairs of the Republic of China from 1956
- Churchill, Sir Winston S.**, Prime Minister of the United Kingdom and First Lord of the Treasury to April 1955
- Clough, Ralph N.**, Deputy Director of the Office of Chinese Affairs, Department of State, July 1955–June 1957; thereafter Director
- Cochran, William P., Jr.**, Counselor of Embassy in the Republic of China to August 1956; thereafter Counselor of Embassy in Sweden
- Cooper, John Sherman**, Ambassador to India, April 1955–April 1956; Republican Senator from Kentucky from January 1957
- Cumming, Hugh S., Jr.**, Ambassador to Indonesia to March 1957; Special Assistant for Intelligence, Department of State, May–October 1957; thereafter Director of Intelligence and Research
- Cutler, Robert**, Special Assistant to the President for National Security Affairs to April 1955, and again from January 1957
- Doyle, Vice Admiral Austin K.**, USN, Commander of the United States Taiwan Defense Command from July 1957
- Drumright, Everett F.**, Consul General in Hong Kong and Macau
- Dulles, Allen W.**, Director of Central Intelligence
- Dulles, John Foster**, Secretary of State
- Eden, Sir Anthony**, British Secretary of State for Foreign Affairs and Deputy Prime Minister to April 1955; Prime Minister and First Lord of the Treasury, April 1955–January 1957
- Eisenhower, Dwight D.**, President of the United States
- Flemming, Arthur S.**, Director of the Office of Defense Mobilization to February 1957
- George, Senator Walter F.**, Democratic Senator from Georgia and Chairman of the Senate Foreign Relations Committee to January 1957
- Gleason, S. Everett**, Deputy Executive Secretary of the National Security Council
- Goodpaster, Colonel Andrew J.**, USA, Staff Secretary to President Eisenhower; promoted to Brigadier General January 1957
- Gowen, Franklin C.**, Consul General in Geneva and United States Representative, International Organizations
- Gray, Gordon**, Assistant Secretary of Defense for International Security Affairs, July 1955–February 1957; Director of the Office of Defense Mobilization from March 1957
- Hagerty, James C.**, Press Secretary to the President
- Hammar skjöld, Dag**, Secretary-General of the United Nations
- Hayter, Sir William G.**, British Ambassador to the Soviet Union to January 1957; thereafter Deputy Under Secretary of the Foreign Office
- Heeney, Arnold D.P.**, Canadian Ambassador to the United States to April 1957
- Hensel, H. Struve**, Assistant Secretary of Defense for International Security Affairs to July 1955

- Herter, Christian A.**, Consultant to the Secretary of State, January–February 1957; thereafter Under Secretary of State and Chairman of the Operations Coordinating Board
- Holland, Sidney G.**, Prime Minister of New Zealand to September 1957
- Hollister, John B.**, Consultant to the Secretary of State, May–July 1955; thereafter Director of the International Cooperation Administration
- Hoover, Herbert J.**, Under Secretary of State to February 1957
- Howe, Fisher**, Director of the Executive Secretariat, Department of State, from March 1956
- Hsu Shao-chang**, Director of the Department of American Affairs in the Foreign Ministry of the Republic of China
- Hull, General John E.**, USA, Commander in Chief, United Nations Command, Commander in Chief, Far East, and Governor of the Ryukyu Islands to February 1955
- Humphrey, George M.**, Secretary of the Treasury, January 1955–July 1957
- Ingersoll, Vice Admiral Stuart H.**, USN, Commander of the Seventh Fleet, December 1955–January 1957; Commander of the United States Taiwan Defense Command, December 1955–July 1957
- Johnson, U. Alexis**, Ambassador to Czechoslovakia to December 1957; United States representative in ambassadorial talks with the People's Republic of China, August 1955–December 1957
- Key, David McK.**, Assistant Secretary of State for International Organization Affairs to September 1955
- Khrushchev, Nikita Sergeevich**, First Secretary of the Central Committee of the Communist Party of the Soviet Union
- Knowland, Senator William F.**, Republican Senator from California; Minority Leader and Member of the Senate Foreign Relations Committee
- Koo, V.K. Wellington**, Ambassador of the Republic of China to the United States to May 1956; judge, International Court of Justice, from 1957
- Kotelawala, Sir John L.**, Prime Minister and Minister of Defense of Ceylon to April 1956
- Lay, James S., Jr.**, Executive Secretary of the National Security Council
- Lloyd, Selwyn**, British Minister of Defense, April–December 1955; thereafter Secretary of State for Foreign Affairs
- Lodge, Henry Cabot**, United States Representative at the United Nations
- MacArthur, Douglas, II**, Counselor of the Department of State to December 1956; Ambassador to Japan from February 1957
- Macmillan, Harold**, British Minister of Defense to April 1955; Secretary of State for Foreign Affairs, April–December 1955; Chancellor of the Exchequer, December 1955–January 1957; thereafter Prime Minister and First Lord of the Treasury
- Makins, Sir Roger M.**, British Ambassador to the United States to October 1956; thereafter Joint Permanent Secretary of the Treasury
- Mao Tse-tung**, Chairman of the People's Republic of China
- McCardle, Carl W.**, Assistant Secretary of State for Public Affairs to March 1957
- McConaughy, Walter P.**, Director of the Office of Chinese Affairs, Department of State, to May 1957; thereafter Ambassador to Burma
- Mehta, Gaganvihari Lallubhai**, Indian Ambassador to the United States

XXII List of Persons

- Menon, V.K. Krishna**, Chairman of the Indian Delegation to the 10th, 11th, and 12th Sessions of the United Nations General Assembly, 1955–1957; Indian Minister of Defense from April 1957
- Menzies, Robert Gordon**, Prime Minister of Australia
- Merchant, Livingston T.**, Assistant Secretary of State for European Affairs to May 1956; thereafter Ambassador to Canada
- Minnich, L. Arthur, Jr.**, Assistant Staff Secretary to the President
- Molotov, Vyacheslav Mikhailovich**, First Vice-Chairman of the Soviet Council of Ministers and Member of the Presidium of the Central Committee of the Soviet Communist Party to July 1957; Soviet Minister for Foreign Affairs to June 1956; Minister of State Control, November 1956–July 1957; Ambassador to Mongolia from August 1957
- Munro, Sir Leslie**, Ambassador of New Zealand to the United States
- Murphy, Robert D.**, Deputy Under Secretary of State for Political Affairs
- Nehru, Pandit Jawaharlal**, Prime Minister of India and Minister for External Affairs and Commonwealth Relations
- Nixon, Richard M.**, Vice President of the United States
- Nu, U**, Prime Minister of Burma to June 1956; Prime Minister and Minister of National Planning from March 1957
- O'Neill, Con**, British Chargé in the People's Republic of China, June 1955–October 1957; thereafter Assistant Under Secretary of State in the British Foreign Office
- Palmer, Gardner E.**, Deputy Assistant Secretary of State for Far Eastern Economic Affairs from July 1957
- Pearson, Lester B.**, Canadian Secretary of State for External Affairs to June 1957; Canadian Representative to the 11th Session of the United Nations General Assembly, November 1956–March 1957
- Peng Meng-chi**, General, Acting Chief of the General Staff of the Republic of China to June 1955; Chief of the General Staff, June 1955–July 1957; thereafter Commander in Chief of the Army and Taiwan Defense Commander
- Phleger, Herman**, Legal Adviser of the Department of State to April 1957
- Pilcher, James Byrd**, Counselor of Embassy in the Republic of China from July 1956
- Pride, Vice Admiral Alfred M.**, USN, Commander of the Seventh Fleet to December 1955; Commander of the Formosa Defense Command, April–October 1955; Commander of the United States Taiwan Defense Command, November–December 1955
- Radford, Admiral Arthur W.**, USN, Chairman of the Joint Chiefs of Staff to August 1957
- Randall, Clarence B.**, Special Assistant to the President in the area of foreign economic policy and Chairman of the Council on Foreign Economic Policy
- Rankin, Karl Lott**, Ambassador in the Republic of China to December 1957
- Rhee, Syngman**, President of the Republic of Korea
- Richards, James P.**, Democratic Representative from South Carolina and Chairman of the House Committee on Foreign Affairs to January 1957; thereafter Special Assistant to the President with the personal rank of Ambassador
- Ridgway, General Matthew B.**, USA, Chief of Staff of the Army to June 1955
- Robertson, Reuben B., Jr.**, Deputy Secretary of Defense, August 1955–April 1957
- Robertson, Walter S.**, Assistant Secretary of State for Far Eastern Affairs
- Scott, Sir Robert Heatlie**, Minister at the British Embassy in the United States to October 1955; thereafter Commissioner General for the United Kingdom in Southeast Asia (at Singapore)

- Sebald, William J.**, Deputy Assistant Secretary of State for Far Eastern Affairs to March 1957; thereafter Ambassador to Australia
- Shen Chang-huan**, Vice Minister of Foreign Affairs of the Republic of China
- Shen Ping**, Consul General of the People's Republic of China in Geneva
- Shepherd, General Lemuel C., Jr.**, USMC, Commandant of the Marine Corps to December 1955; Chairman of the Inter-American Defense Board from March 1956
- Smythe, Major General George W.**, USA, Chief of the Army Section of the Military Assistant Advisory Group, Formosa, to July 1955; Chief of the Military Assistance Advisory Group, Formosa, July 1955–August 1956
- Sponder, Sir Percy C.**, Australian Ambassador to the United States
- Stassen, Harold E.**, Director of the Foreign Operations Administration and Deputy Representative on the United Nations Disarmament Commission to March 1955; thereafter Special Assistant to the President
- Stump, Admiral Felix B.**, USN, Commander in Chief, Pacific Command and Commander in Chief, Pacific Fleet
- Tan Shao-hua**, Minister of the Embassy of the Republic of China in the United States
- Taylor, General Maxwell D.**, USA, Commanding General, United States Army Forces, Far East, and Eighth United States Army, to March 1955; Commander in Chief, Far East Command; Commander in Chief, United Nations Command; and Governor of the Ryukyu Islands, April–June 1955; thereafter Chief of Staff, United States Army
- Tong, Hollington K.**, Ambassador of the Republic of China to Japan to May 1956; thereafter Ambassador to the United States
- Trevelyan, Humphrey**, British Chargé in the People's Republic of China to May 1955
- Tsiang, Tingfu F.**, Representative of the Republic of China at the United Nations
- Twining, General Nathan F.**, USAF, Chief of Staff, United States Air Force, to June 1957; Chairman of the Joint Chiefs of Staff from August 1957
- Wainhouse, David W.**, Deputy Assistant Secretary of State for United Nations Affairs to September 1955; First Secretary at the Embassy in France, September 1955–July 1956; Deputy Assistant Secretary of State for International Organization Affairs, July–October 1956; thereafter Counselor of Embassy in Austria
- Wan Waithayakon, Prince Krommun Naradhip Bongsprabandh**, Foreign Minister of Thailand; Permanent Representative of Thailand to the United Nations; President of the United Nations General Assembly from November 1956
- Wang Ping-nan**, Assistant Minister of Foreign Affairs of the People's Republic of China to March 1955; thereafter, Ambassador to Poland; representative of the People's Republic of China in ambassadorial talks with the United States from August 1955
- Wilson, Charles E.**, Secretary of Defense of October 1957
- Yeh, George K.C. (Yeh Kung-ch'ao)**, Minister of Foreign Affairs of the Republic of China and Chairman of the Chinese Delegation to the 10th, 11th, and 12th Sessions of the United Nations General Assembly
- Yu Ta-wai** Defense Minister of the Republic of China
- Yui, O.K. (Yu Hung-chun)**, President of the Executive Yuan (Premier) of the Republic of China



UNITED STATES POLICY WITH REGARD TO THE PEOPLE'S REPUBLIC OF CHINA AND THE REPUBLIC OF CHINA, AUGUST 1955- DECEMBER 1957

THE AMBASSADORIAL TALKS AT GENEVA BETWEEN REPRESENTATIVES OF THE UNITED STATES AND THE PEOPLE'S REPUBLIC OF CHINA; NEGOTIATION OF THE AGREED ANNOUNCEMENT OF SEPTEMBER 10, 1955, ON THE REPATRIATION OF CHINESE AND AMERICAN CIVILIANS; DISCUSSIONS AT GENEVA CONCERNING A POSSIBLE MUTUAL DECLARATION OF RENUNCIATION OF FORCE; THE REPUBLIC OF CHINA'S CONCERN AT THE COURSE OF THE GENEVA TALKS; U.S. POLICY CONCERNING POSSIBLE TRAVEL BY AMERICANS TO THE PEOPLE'S REPUBLIC OF CHINA; THE DECISION TO BASE MATADOR MISSILES ON TAIWAN; THE TAIPEI RIOT OF MAY 1957; SECRETARY DULLES' STATEMENT OF JUNE 1957 ON U.S. POLICY TOWARD CHINA; THE END OF THE AMBASSADORIAL TALKS AT GENEVA

1. Telegram From Ambassador U. Alexis Johnson to the Department of State ¹

Geneva, August 1, 1955—7 p.m.

239. Held first meeting with Chinese 4 pm August 1. ² After agreed five minutes of photography meeting opened and I asked Wang whether he wished speak first. He accepted offer and read prepared statement gist of which follows:

Chinese People's Government announced July 31st that in accordance Chinese legal procedure eleven Air Force personnel had

¹ Source: Department of State, Central Files, 611.93/8-155. Official Use Only. The telegrams to and from Ambassador Johnson in Geneva were numbered in series with other telegrams to and from Geneva. The incoming telegrams bear Consul General Gowen's signature. Telegram 312 to Geneva, July 29, directed that Johnson's telegrams did not require Consulate concurrence and should receive no distribution within the Consulate. (*Ibid.*, 611.93/7-2955)

² Telegram 330 to Geneva for Johnson, August 1, indicates that Johnson made a preliminary report on the meeting by trans-Atlantic telephone. (*Ibid.*, 611.93/8-155) After most subsequent meetings, Johnson sent brief telegrams giving the highlights of the meetings, followed by detailed telegraphic reports; most of the latter are not printed here. Both the summary and detailed reports of the meetings (except for those of the August 4 meeting) are filed, along with much other documentation relating to the Ambassadorial talks, *ibid.*, 611.93. Further documentation, including a series of official-informal letters between Johnson and McConaughy concerning the talks, is *ibid.*, Geneva Talks Files: Lot 72 D 415.

been freed and left Peiping same day. They due Hong Kong August 4. Wang said his Government hopes this action will have favorable effects on present talks. He then quoted from agreed statement both Governments of July 25 and added he sincerely hoped talks would continue ease tension between US and China. Expressed conviction that with joint effort it should be possible achieve this highly significant goal. Referring to consular talks held during past year, he declared that although results not entirely satisfactory he was sure I would agree that appreciation should be expressed to consular representatives both sides for their efforts. He said that so long as both sides adopt an attitude of conciliation it should not be difficult reach a solution of return of civilians of both sides.

He added that talks should not be confined to above question because number of other issues exist between China and US.

Wang then proposed following agenda:

1. Return of civilians of both sides to their respective countries.
2. Other practical matters at issue between two sides.

Regarding second item he proposed each side might put forth matters they desired discuss so that there might be free exchange of views.

After few words of introduction, I expressed gratification at release of flyers and agreed it would facilitate our discussions. I said agenda proposed appeared in accordance with agreement between our two Governments and I had no objection to it. Noting fact neither Wang nor I had brought stenographer I proposed that in interest maintaining maximum informality this practice be continued at future meetings. I also proposed that we do our best conduct these talks in atmosphere of privacy, and that we agreed neither of us will make any public statements or otherwise make available to press any information whatever concerning these talks except in agreement with each other or after prior notification to each other.

Wang declared he welcomed spirit in which I spoke and added that so long as both sides sincerely desire solve problems favorable results could be achieved.

He stated it was advisable at first meeting discuss procedural matters and that he was glad note there was no difference of opinion regarding procedure. Since there was no objection regarding agenda he proposed discussion of first item begin August 2 at 10 a.m.

Regarding question publicity, Wang said he agreed in principle that information should only be released after mutual agreement. He proposed that as first meeting was closely followed by world press and statements would receive attention throughout world each side be free release statement made at today's meeting. At second meeting publicity question should be further discussed. He expressed pleasure

at fact that there was no disagreement on agenda and suggested that it also be released to press.

Texts of agreed statement as well as my oral statement to press through Consulate PAO by separate telegram.³

[Johnson]

2. Telegram From Ambassador U. Alexis Johnson to the Department of State¹

Geneva, August 2, 1955—3 p.m.

243. Following some additional highlights gleaned from Menon's remarks to me yesterday.²

1. ChiComs expect US concretely respond to gesture of flyer release by relaxing trade embargo, that is bring US trade controls to UN level. (Impossible say what extent this is message from ChiComs or may only represent Menon's opinion.) US goods going to Chinese through UK, many new US autos Peiping, self-denial on our part quixotic, etc.

2. ChiComs had previously promised Menon to release 11 flyers and were all prepared to do so but handling release of four had irritated them in spite Menon's warnings to us. What Secretary and

³ Johnson transmitted the text of the agreed statement, which announced the agenda for the talks, and his own brief statement in telegram 235 from Geneva, August 1. (*Ibid.*, Central Files, 611.93/8-155) The statements issued on August 1 by the President and Secretary Dulles expressing gratification at the release of the fliers are printed in Department of State *Bulletin*, August 15, 1955, p. 262.

Johnson commented in telegram 240 from Geneva, August 1, that by the release of the fliers "ChiComs have spectacularly grabbed propaganda ball" and that it seemed probable "ChiComs are going to move fast and early on civilians as they are playing for big game." He stated that while the release of the fliers "enables me maintain position can be no discussion 'other practical matters' until ChiComs agree release all civilians, I feel we are very shortly going to be at this point" and added that he would welcome the Department's suggestions on dealing with the subject of "renunciation of force", since he might soon reach the point where he would have to introduce that subject. (Department of State, Central Files, 611.93/8-155)

¹ Source: Department of State, Central Files, 611.93/8-255. Secret. Received at 11:17 a.m.

² Johnson reported in telegram 232 from Geneva, August 1, that Krishna Menon had called on him at 2:30 p.m. to tell him that Prime Minister Nehru was informing Ambassador Cooper of the imminent release of the 11 fliers. Menon also told Johnson that he would be "readily able reach agreement with Wang on civilians on basis someone represent Chinese students in US." (*Ibid.*, 611.95A241/8-155) Cooper reported his conversation that morning with Nehru in telegrams 217 and 218 from New Delhi, August 1. (Both *ibid.*, 611.93/8-155)

President had said at time of release ³ was good but what said subsequently by some had interfered. (I was not very clear to what he was referring by subsequent developments but there was some suggestion that giving public credit to UN ⁴ was involved.) Protestations ad nauseum by Menon he had carefully refrained from claiming any credit; important point was only how he and India could quietly help etc.

3. GOI (Menon's) work at Bandung etc. had made possible holding present talks.

4. Cease fire agreement possible on basis evacuation Quemoy and Matsu.

5. ChiComs anxious for agreement with US but also must consider Chinese "public opinion".

6. Not fair to say ChiCom position is they will fight obtain demands if not successful in obtaining them by negotiation. Also in Chinese eyes question guns 7th Fleet pointing at them. Important point (according Menon) is they willing negotiate and important get negotiations going. (In context he was obviously pointing to Foreign Minister meeting.)

7. ChiCom revolutionary phase now finished and they are no longer "hanging people".

ChiCom different from Soviet Union or satellites. Political parties with views different from Commies tolerated and are not just Commie stooges. Many former ChiNat officers successful in ChiCom army. ChiCom attitude toward Formosa "very liberal" and (according Menon) not many years until Chiang will be a "Governor General" of Formosa. Chiang entirely discredited on mainland and no serious opposition to Commies.

8. Without directly referring travel relatives prisoners Menon raised desire ChiComs receive American visitors, cultural exchanges etc.

I made no response except where it was possible do so without giving away my hand as I was convinced he was going to run and tell Wang anything I said. However I bore down heavily on renunciation of force by ChiComs and gave him copy Secretary's July 26 press conference statement with recommendation he carefully read it.

³ A May 30 statement by a Department of State spokesman is summarized in vol. II, Document 261, footnote 2. At President Eisenhower's press conference of May 31, he stated in response to a question that the release of the fliers appeared to be a "token" on the part of the Chinese Communists "to do something in helping release tensions." The transcript of the press conference is printed in *Public Papers of the Presidents of the United States: Dwight D. Eisenhower, 1955*, pp. 544-559.

⁴ Text of a statement made by Ambassador Lodge on May 30 praising Secretary General Hammarskjöld's efforts on behalf of the fliers is printed in *Department of State Bulletin*, June 13, 1955, p. 953.

Menon called again this morning to say goodbye. He had seen Wang last night and said Wang was anticipating these talks will not last more than one week if "Americans are sincere". Wang will raise trade embargo and few other matters but does not intend get down much serious business on "other questions". All this to be left for ForMin's meeting. Chinese realize probably cannot take place for some time but want agreement in principle and definite settlement date. Will more fully report this morning's talk in later telegram.⁵

[[Johnson]]

3. Editorial Note

At his press conference on August 2, Secretary Dulles replied to a series of questions concerning the Ambassadorial talks in Geneva. In response to a question as to what he had in mind in speaking of a possible "cease-fire", he commented as follows:

"What we hope to arrive at by progressive steps is a situation where the Chinese Communists will have renounced the use of force to achieve their ambitions. That is the thing I have been emphasizing and driving at for months because, if they are not willing to do that, if they want to use force to achieve their ambitions, that will almost surely start up a war the limits of which could not be defined in advance. How that is brought about I don't know. That is a matter of policy for the Chinese Communists. I don't know how they will choose to make that clear, if indeed they do make it clear. I already have said that the speech of Chou En-lai of last Friday [*Saturday, July 30*] went further in that direction than anything that he has yet said. I hope that what is taking place either at Geneva or outside of Geneva, and the whole trend of world events, will create a situation

⁵ Johnson reported the conversation in telegram 246 from Geneva, August 2, which reads in part as follows:

"He again pushed question relaxation trade restrictions 'or some other such gesture' but I received impression this may be somewhat more his own idea than that of ChiComs and that he may also be pushing it with them. Talked about Wang and I arriving at agreement 'in principle' in this, details to be left to lower level officers—possibly Consuls Generals in Moscow, Delhi or London. . . .

"Much talk about importance agreement on ForMin meeting, ChiCom desire eventual formal recognition as 'this will add greatly to their prestige', again talk about coastal islands 'which are held by Nationalists only by virtue US support', my information situation quiet not correct as Nationalists are carrying out raids most recently in July and this obviously difficult situation for ChiComs etc.

"ChiComs interested in internal development and do not want war. Are making great strides, while still behind India work together much better and with more enthusiasm than Indians and before long will pass India. ChiComs do not like present great dependence on Soviets and want diversify trade to West including US." (Department of State, Central Files, 611.93/8-255)

so that we can feel that we are not under the threat of war from the situation in that area. I said in my press conference of April 26, you may remember, that the United States was not willing to negotiate with a pistol at its head; that the first thing to do is to find out whether there was a threat of war there because, if that was the case, then as far as the United States is concerned it would be quite impossible to negotiate these practical matters.

"I pointed out last week that a number of things had happened which indicated that the pistol had been laid down and that it made it possible to try to clear up now some of these practical matters between us. But the important thing is that the pistol should be permanently discarded, and we hope that the trend of events will bring reassurance on that point."

The transcript of that portion of his press conference is printed in Department of State *Bulletin*, August 15, 1955, pages 260-262.

At President Eisenhower's press conference on August 4, he was asked whether negotiations were underway involving the status of Quemoy, Matsu, and Formosa and replied as follows:

"The present negotiations were called to discuss the question of nationals of one country retained within the territory of the other.

"Now, it was admitted that the discussions might find other subjects which could be discussed, but both the Secretary and I have frequently stated we are not going to discuss the affairs of our friends when our friends are absent. We count the Nationalists on Formosa as our friends. We are not going to discuss their future or their destiny or anything about them until they are there."

When asked if he would favor a summit meeting with all parties concerned to settle Asian tensions, he replied:

"I think not at this time. I think it would be far too much in advance to talk about the possibility of a summit meeting. They have implications that do not follow upon meetings at a somewhat lower level.

"Now, I believe the Secretary has said that it is within the realm of possibility that these meetings will lead to negotiations possibly on ministerial level, but I think nothing further has been hinted at."

For the transcript of the press conference, see *Public Papers of the Presidents of the United States: Dwight D. Eisenhower, 1955*, pages 757-767.

4. Telegram From Ambassador U. Alexis Johnson to the Department of State ¹

Geneva, August 2, 1955—noon.

244. Second meeting with Chinese held August 2, 10 a.m. I led off with statement on Americans detained in China. I expressed deep concern of American people at continued detention of civilians pointing out many imprisoned over four years and others under house arrest or denied exit permits. I said despite my government's efforts through various channels and direct talks initiated by Wang and me last year and continued at consular level results have not been entirely satisfactory as Wang himself stated yesterday. At least 36 American civilians still detained in China mostly in prison. I emphasized this causes continued deep concern to American people and inevitably heavily influences attitude of American people and government toward Wang's government. I handed Wang list of 36 American civilians. I continued that although gratified at release 11 Air Force personnel I must in all frankness stress that only release of all Americans both civilian and military detained by Wang's government would serve dispel ill feeling existing in US over this issue and bring about atmosphere permitting fruitful discussion other practical matters. I then told Wang I was aware his government's interest in discussing question of some Chinese civilians in US. Said I would be glad hear his views.

Wang replied he had noted my statement, that he would answer some questions raised there this morning and others later. Then proceeded read prepared statement "status of American nationals from our viewpoint" as follows:

American nationals treated like all other aliens in China and accorded protection so long as they respect Chinese law. If they breach Chinese law treated as law provides.

Wang said his government had been informing US from time to time of status Americans in China and was now willing advise US once again of status of Americans and measures they intended to take out of special consideration. Classified Americans in four categories:

1. 42 ordinary Americans. This includes those who had applied to leave China and those who had not. Those under this category may apply and leave any time provided they not involved in unfinished cases. Chinese government is now reviewing cases those who applied and will advise results later.

¹ Source: Department of State, Central Files, 611.93/8-255. Confidential. Transmitted in two sections. Received at 4:50 p.m.

2. 27 American civilians who have committed crimes. Persons this category always leniently treated considering crimes committed and their behavior. Those with good behavior may be granted early release. Out of humanitarian considerations Chinese government will allow relatives these persons visit them. Chinese government individually reviewing all cases and will advise later regarding each.

3. 16 American captured personnel of Korean war who refused repatriation. These may leave at any time according own will. Only recently three captured personnel of Korean war have returned US. Persons this category will be granted permits promptly on request and relatives may visit if desire.

4. American military personnel who have committed crimes. Besides 15 such persons already released at different times only two remain. Their crimes made known in past and US government knows what they are. Relatives these persons will be permitted visit if desire.

At my request Wang handed me lists persons mentioned above. Comment on lists by separate tel. ²

Wang then took up question Chinese nationals in US. Said great majority these have families on China mainland. For long time due American government restrictions and practical difficulties these nationals unable freely return home join families. This is pressing question demanding solution, one which Chinese government always concerned about.

Wang continued both sides had concretely discussed question freedom Chinese nationals including students at Geneva during past year. On four occasions US had informed his government of Chinese leaving US. Of 27 such persons mentioned on first three occasions, six have still not returned to China. On fourth occasion, April 8, 1955, US representative stated 76 Chinese permitted leave but no name list given so impossible verify whether they have returned. There have not been necessary improvements in return of nationals including students from US. Wang said might as well point out that when his side issued exit permits to 27 Americans they always prompt and concrete in informing US.

Wang stated they recently informed that US Immigration Service notified many students they must leave US not later than September sixth and that those failing depart by that date were advised apply for permanent residence under Refugee Relief Act of 1953. ³ Short time limit confronted Chinese with many practical problems. As result many may not be able leave in time and no choice but apply for permanent residence which will increase difficulties their return to mainland.

² Johnson transmitted the lists without comment in telegram 255 from Geneva, August 2. (*Ibid.*)

³ Approved August 7, 1953; 67 Stat. 400.

Wang declared both our governments deeply concerned over fate nationals. On basis mutual conciliation and mutual respect both sides share desire safeguard interest of nationals in other country including right return home. In order that nationals each side who desire return may receive attention Chinese propose:

1. Each side advise other status latter's nationals residing their territory in same way Wang had just done re US nationals in China. Expressed hope name list would include all Chinese nationals in US including students.

2. US revoke all prohibitions and measures preventing departure Chinese including time limit which adds to difficulty their return.

3. US supply Chinese with name list 76 persons granted exit permits as reported April 8, 1955.

4. China and US each entrust third country of own choice take charge affairs of nationals each country, first of all, question their return. Chinese government proposes India.

Wang expressed hope we would give his proposals due consideration.

I replied I wanted study his proposals carefully and would give him detailed reply later. In meantime however I wanted to state that concern his government regarding Chinese students in US appears largely on misunderstanding of true situation. I said I was authorized formally assure him US imposing no restraints on Chinese civilians in US desiring proceed territory under control his government. I repeated that I could formally and categorically say to him that no Chinese student was being prevented from leaving US. I asked if he knew any Chinese student prevented from departing he let me know and I would have case investigated at once. I expressed hope in such event he would give me as much data as possible on each case just as I had done regarding cases of Americans detained in China.

Wang replied he would carefully study all I had said and reply at later meeting. He then proposed that since discussions had entered concrete stage meetings be held as a rule only every other day unless special reasons demanded more or less frequent meetings. I agreed to this proposal.

Referring to my proposal not to release information to press without prior agreement Wang said he had given matter careful study and agreed in principle. Said if any statement considered necessary by either side agreement should be reached with other or prior notification given. In this way discussions could be completely frank and informal.

I told Wang I pleased he agreed with me that adoption this procedure would contribute to frankness and informality of discussions. I suggested that any prior notification give reasonable time say one

or two days although I did not believe it necessary specify exact limit. Wang concurred in this.

Wang then proposed we inform press we had discussed first item of agenda and that next meeting to be held August 4, 10 a.m. I agreed proposing we say nothing else concerning meeting to which Wang agreed.

I said I presumed Wang would concur that both governments should share equally cost of meeting room. Wang said that was reasonable arrangement and he felt cost unimportant compared with results talks might achieve.

As business concluded and we arose leave I told him Mr. Martin ⁴ whom he would undoubtedly recall would be joining us at next meeting. He then said in not unpleasant fashion that I would probably recall Mr. Li his interpreter at meetings at Geneva last year. He had been "murdered by agents of Kuomintang bandits" who sabotaged plane on which he flying Bandung. I expressed regret.

[Johnson]

⁴ Edwin W. Martin, Deputy Director of the Office of Chinese Affairs. Martin had been present during the meetings between Ambassadors Johnson and Wang at Geneva in June 1954.

5. **Memorandum of a Conversation Between the Secretary of State and Representative Richards, Washington, August 2, 1955** ¹

Congressman Richards and his wife and daughter had dinner with Mrs. Dulles and me. After dinner Congressman Richards and I talked alone in my library. I referred to the speech which the Congressman had made the day before about Far Eastern matters. ² I said that I appreciated the references which he had made to me and that I agreed there was need for caution in dealing with this situation.

Congressman Richards said, in substance, that he thought there was entire agreement on the part of both Democrats and Republicans in the House on a policy of caution, as regards Red China. There was a general feeling that Senator George had gone too far in encouraging

¹ Source: Eisenhower Library, Dulles Papers, General Memoranda of Conversation. Drafted by Dulles on August 3.

² For the statement made by Representative Richards in the House of Representatives on August 1, see *Congressional Record*, vol. 101, pt. 10, pp. 12689-12690.

a resumption of relations and, in particular, in encouraging the idea of talks between Chou En-lai and me.

He said that there was a general feeling in the House that I was somewhat less disposed than either the President or Senator George to move toward friendly relations with Communist China; that he realized that if this were the case, I was in a difficult spot but that I should know that the House of Representatives was virtually unanimous in supporting what they considered to be my position.

I said that I did feel that Senator George had gone a bit too far too fast but that I had the impression from my talk with him the day before ³ that he would slow up in this respect. I said that so far as the President was concerned there never had been any significant differences between us in relation to foreign affairs, that while we sometimes expressed ourselves somewhat differently, I was confident that at bottom we were in complete agreement.

I asked Congressman Richards whether he planned to go abroad this fall, that if he were in Europe I would like to have him drop in on us at Geneva ⁴—he said that he expected to stay in this country.

JFD

³ Recorded in a memorandum of conversation by Dulles, dated August 2, which reads in part as follows:

"Senator George indicated in reply to my suggestion, that he did not plan to say anything more, for the time being, about possible talks between Chou En-lai and myself. Indeed his manner seemed slightly apologetic as I referred to what he had said on the matter in the past." (Eisenhower Library, Dulles Papers, Senator Walter George)

⁴ Dulles was to be in Geneva in October and November for a meeting with the British, French, and Soviet Foreign Ministers.

6. Telegram From Ambassador U. Alexis Johnson to the Department of State ¹

Geneva, August 3, 1955—3 p.m.

257. Had Hammarskjöld to dinner last night. He had called on Wang earlier in afternoon to ask him transmit reply to Chou's message informing him release flyers text of which he showed me and which Cordier has been requested transmit Lodge. ² Cordier will also

¹ Source: Department of State, Central Files, 611.93/8-355. Confidential.

² Text of the message, not dated, was transmitted to the Department in telegram 75 from New York, August 2. It states that the Chinese Government had decided to release the American fliers, that they were being released in order to maintain friendship with Hammarskjöld and not in connection with the U.N. resolution, and that the

Continued

give Lodge copy reply which he also showed me.³ He interprets Chou's message as encouraging effort keep UN channel open. He is also obviously and understandably still very sensitive on Menon role.

He gave me detailed account all his efforts particularly his conversations with Chou on Downey and Fecteau. This very helpful to me although I do not believe any information was brought out not already known to Department.

I outlined to him present state my negotiations with Wang and consulted with him on my plans for handling question other missing military personnel. Told him my present thinking was when "other practical questions" reached to hand Wang list 461 missing military personnel outlining history list and asking ChiComs whether any persons listed were in territory under control ChiComs pressing as necessary for definite answer.

He expressed full approval and requested I inform Secretary that in reply Secretary's message on coordination our efforts⁴ he planned take no further action pending outcome my efforts here. At that time he would decide what further action take not only with regard missing American personnel but those of other nationalities.

He will be here until August 8 and I promised keep in touch with him.

[Johnson]

Chinese Government hoped that the contacts with Hammarskjöld would continue. (*Ibid.*, 611.95A241/8-255)

³ Text of Hammarskjöld's reply, August 2, was transmitted to the Department in telegram 94 from New York, August 9. It expressed gratification at the release of the fliers and stated that Hammarskjöld looked forward to continued contacts with Chou. (*Ibid.*, 611.95A241/8-955)

⁴ Dulles' message, sent in telegram 39 to New York, July 28, for transmission to Hammarskjöld, states that Dulles had told Johnson "that you told me at Geneva that you would welcome anything he can do to reinforce your efforts to secure return of US POW's" and asked Hammarskjöld to let him know if he had any thoughts about coordinating their efforts. (*Ibid.*, 611.93/7-255)

7. **Letter From the Deputy Assistant Secretary of Defense for International Security Affairs (Davis) to the Assistant Secretary of State for Far Eastern Affairs (Robertson)** ¹

Washington, August 3, 1955.

DEAR MR. ROBERTSON: I refer to your letter of 11 July 1955 requesting an expression of views by the Joint Chiefs of Staff regarding the effect the proposed transfer of one Chinese Nationalist Division from Taiwan to Quemoy would have on the defensibility of Taiwan and the Pescadores. ²

The Joint Chiefs of Staff consider that while the movement of one additional division from Taiwan would reduce the garrison's strength on the island, this reduction would not substantially diminish the defensibility of Taiwan and the Pescadores. On the other hand the Joint Chiefs of Staff consider that the deployment of an additional GRC division to Quemoy would not substantially increase the defensibility of Quemoy. ³

As you know, the movement of the division to Quemoy is already in progress and will be completed in the near future despite representations against the move by Chief, MAAG Formosa, and despite Chiang Kai Shek's statement of 27 June 1955 to General Chase that he did not plan to move the division immediately. ⁴

In view of this, and of the opinion of the Joint Chiefs of Staff expressed above, there appears to be no military basis for further

¹ Source: Department of State, Central Files, 793.5/8-355. The letter was seen by Murphy and Hoover, as indicated by their initials on the source text and on an attached note.

² Robertson's letter of July 11 to Davis noted that under the U.S.-Chinese exchange of notes of December 10, 1954, "it appears we could claim the right to veto the proposed move, if it were determined that the transfer of the additional division would 'substantially' diminish the defensibility of Taiwan and the Pescadores" and requested that the Joint Chiefs of Staff provide an authoritative military judgment on the effect of the proposed transfer. (*Ibid.*, 793.5/7-1155)

³ According to a memorandum of the substance of discussion at a State-JCS meeting on July 29, Admiral Radford informally stated the JCS view, and the following discussion ensued:

"Mr. Robertson said that the State Department, of course, accepted this military opinion but confirmed that he would be glad to have JCS views on just what sort of development would be considered to affect the defensibility of Formosa. He remarked that there must be some point at which continued movement of troops away from Formosa would endanger its defense. Both Admiral Radford and General Taylor commented that this was an exceedingly difficult question to answer, and Admiral Duncan, sitting for Admiral Carney, remarked that the answer really had to depend on the complex of circumstances existing at the time when such movement might be proposed." (*Ibid.*, State-JCS Meetings: Lot 61 D 417)

⁴ See vol. II, Document 279.

representations to Chiang Kai Shek on the movement of one division from Taiwan to Quemoy.

Sincerely yours,

A.C. Davis

8. Telegram From Ambassador U. Alexis Johnson to the Department of State ¹

Geneva, August 4, 1955—1 p.m.

310. Highlights third meeting ² follow:

Handed Wang list five names suggested Deptel 359. ³ Made brief comments their list Americans pointing out inter alia Downey and Fecteau civilians not military ⁴ (Wang subsequently explained listing Downey and Fecteau referred to nature their "crimes" which military). I then discussed Wang's 4 proposals of last meeting. Re first said seems go beyond terms reference talks, also involves thousands names. Need further time consider. Re second and third proposals handed Wang list 76 names, reiterated assurance all restrictions lifted on return Chinese to mainland, explained no general deadline for departure students but cases dealt with individually and postponements departure granted for good cause. Re fourth proposal said could not yet give reply. Concluded by contrasting present freedom Chinese in US depart and continued detention 40 odd US citizens China.

¹ Source: Department of State, Central Files, 611.95A251/8-455. Confidential; Priority.

² Johnson reported the meeting in detail in telegram 315 from Geneva, August 4. (*Ibid.*)

³ Telegram 359 to Geneva, August 3, instructed Johnson to give Wang a supplementary list of five Americans whom the Department believed were prevented from leaving the mainland. (*Ibid.*, 611.95A251/8-355)

⁴ In the lists which Wang gave to Johnson at the August 2 meeting, Downey and Fecteau were the only two persons listed in the fourth category, "American Military Personnel Who Have Committed Crimes". Johnson commented further in telegram 321 from Geneva, August 5, which reads in part as follows:

"It will be seen I carried out my original plan of trying avoid highlight Downey and Fecteau but keep them grouped with civilians making clear we expected same treatment as for other civilians many of whom are also called 'US spies'. This also has advantage of enabling me maintain discussion Downey and Fecteau under agenda item one. As will be seen from yesterday's meeting Wang did not contest my claim they were civilians but his ambiguous answer and separate classification lead me believe these are probably going to be the most difficult cases. However do not believe productive for time being take any further initiative with regard to them but await developments from ChinCom side. Am trying avoid being drawn into futile arguments on merits individual cases." (*Ibid.*, 611.93/8-555) For Johnson's report of the August 2 meeting, see Document 4.

After 10 minute recess requested by Wang, he again asked complete list Chinese nationals in US, denying this request exceeded terms reference; welcomed receipt list 76 but expressed dissatisfaction lack of info on all Chinese in US, similar that given us on all Americans China; reiterated familiar contention only US citizens detained China guilty crimes who dealt with by law, therefore no basis US ill feeling. Also made statement on alleged causes "Chinese ill feeling" toward US. Said will examine individual cases Americans and prepared accord lenient treatment. Welcomed US willingness take time consider his fourth proposal.

I replied briefly Wang's remarks reserving right reply more fully next meeting which I suggested be postponed to August 8. Wang readily agreed, exhibiting no anxiety force peace talks. Wang stressed his compliance our agreement re press, saying Chinese hoped meetings would settle matters under discussion not become propaganda forum. I affirmed our full adherence press agreement.

[Johnson]

9. **Memorandum of a Conversation Between the President and the Secretary of State, The White House, Washington, August 5, 1955, 12:30 p.m.**¹

SUBJECT

China

I said that I wanted to review with the President the basic thinking now underlying what I was doing in relation to Communist China as follows:

Chiang was absolutely opposed to giving up Quemoy and the Matsus. He believed that this withdrawal would be disastrous, and whether or not we agreed with his reasoning we had to accept the fact of his present position.

These coastal islands are militarily untenable by the Nationalists without large U.S. assistance. We do not desire to have to get into a major war with China, and indeed it is doubtful that the President has authority to use the armed forces of the United States in defense of Quemoy and the Matsus, if, as increasingly appears, the Chinese

¹ Source: Department of State, Central Files, 711.11-El/8-555. Secret; Eyes Only. Drafted by Dulles. An attached note indicates that the source text was seen by Hoover and that copies were distributed on an "eyes only" basis to Murphy, Robertson, Bowie, and Morton.

Communists themselves distinguish between Quemoy and the Matsus and our treaty area.

However, to allow Quemoy and the Matsus to be taken by the Communists and to allow large Nationalist forces to be destroyed there would have a grave effect upon morale in Korea, Japan, Formosa, the Philippines and Southeast Asia.

Therefore, the Department had to find diplomatic means through which to prevent a Chinese Communist attack.

We had started on this program prior to the Bandung Conference and had moved that program forward at Bandung. That had produced Chou En-lai's offer to talk with us, and after three months used up by talks with intermediaries, we had responded by setting up the bilateral talks at Geneva for limited purposes.

We were using the time thus gained to try to build up a world opinion which would compel the Chinese Communists to accept the status quo and not seek to change it by force. This was a result which we could hope to achieve since the position we sought was basically the same position that the rest of the world takes with respect to the non-use of force to unify such areas as Germany, Korea, Vietnam, and indeed Ireland.

I referred to President Rhee's recent statement of intention to incorporate certain tracts north of the armistice line into South Korea.² I said that his logic in wanting it was even more powerful than that of the Chinese Communists in wanting to incorporate Quemoy and the Matsus with their areas. However, we had made clear that we would not be acquiescent in Rhee's use of force for this purpose.

This was the general line I had taken in my breakfast talk with Eden at Geneva³ and it was a line which I had taken in my last two press conferences⁴ and I felt that we were making some headway.

As to the talks at Geneva, I said that we were not anxious to push them to a conclusion except as to getting out our civilians who are being subjected to inhuman treatment. Otherwise, we needed time by which to stabilize the situation.

I said that I had no desire or present intention to have talks with Chou En-lai. This thought had been injected into the scene by Senator George and it was difficult to get it out because it was one of those eventualities which was impossible to deal with on a "never never" basis but which when not dealt with on that basis left open a crack which many tried to press wider open.

The President indicated that he was aware of and in full accord with this program and that he welcomed this opportunity to have a

² Reference is to a statement issued by the Republic of Korea on August 2.

³ On July 22; see vol. II, Document 314.

⁴ On July 26 (see *ibid.*, Document 319) and August 2 (see Document 3).

quiet chat about it. He remarked that he always tried to handle his press conferences so as to avoid putting any spokes into my diplomatic efforts. I said that I had great admiration for the skill with which he handled his press conferences.

JFD

10. Telegram From the Secretary of State to Ambassador U. Alexis Johnson, at Geneva ¹

Washington, August 5, 1955—7:53 p.m.

391. 1. Department concurs in general approach you have proposed for fourth meeting Aug 8 and commends your clear analysis existing situation and your resourcefulness in devising tactics to meet it. ²

2. U.S. has already met Chinese Communists on points two and three. With respect to point one we have already advised as to status

¹ Source: Department of State, Central Files, 611.93/8-555. Secret; Priority. Drafted by Dulles; cleared with McConaughy and approved for transmission by Robertson. McConaughy wrote to Johnson in a letter of August 8, "There is a pronounced feeling of satisfaction here with the way you have handled the first week of the negotiations. The Secretary himself is following every development closely. He has drafted some of the telegrams to you himself and ordered last Tuesday [August 2] that henceforth all messages to you which conveyed anything in the nature of instructions were to be personally approved by him."

The letter was the first of the series of official-informal letters between McConaughy and Johnson pertaining to the Ambassadorial talks. (*Ibid.*, Geneva Talks Files: Lot 72 D 415, Geneva—Correspondence Re US-PRC, 1955-1956)

² Johnson commented in telegram 314 from Geneva, August 4, that he was convinced that the Chinese did not seriously expect to obtain point one of Wang's August 2 proposal but that "something in field of point four of Wang's proposal is Chou's minimum price for release remaining Americans". He continued as follows:

"Therefore tactic which I had planned prior to receipt Deptel 360 was to put forward in informal conversational style a representation proposal in strict accordance with my instructions as something I was willing recommend my government's consideration but didn't feel I could do so until they had come further on Americans in China. My hope was that without necessarily freezing on any particular position or bargaining point four for Americans I could get myself in position to keep representation cheese dangling in front of them in return for performance on Americans while also avoiding danger their claiming settlement civilians accomplished when agreement reached on representation.

"I continue feel this is best tactic and should be carried out at Monday's meeting although in view passage time would now present in form of something tentatively being considered by my government." (*Ibid.*, Central Files, 611.93/8-555)

Telegram 360 to Geneva, August 3, told Johnson that points one and four would require some time for study and instructed him to press for the immediate release of all Americans. (*Ibid.*, 611.93/8-255)

of Chinese nationals, which is that they are free to depart if they wish.

3. U.S. will not supply a name list of all Chinese nationals in U.S. For your discretionary use (a) this could not be done without subjecting many who hold allegiance to Republic of China and their relatives in China to harassment, (b) it is not our policy to give any other government a list of all of their nationals in U.S. and (c) we recognize Republic of China as government of China.

4. Whenever CPR takes the same position with respect to U.S. nationals in China that the U.S. has taken, namely, that they are free to return and will be given exit visas on request, U.S. will take further step of authorizing Indian Embassy in U.S. to facilitate travel of Chinese here who desire to return to mainland and to transmit funds for this purpose. Indian Embassy may publicly make known that it is prepared to facilitate travel to mainland of any Chinese nationals who desire to return.

5. U.S. would expect on its side to avail of the services of U.K. in Communist China to facilitate return of U.S. citizens who desire to return.

6. Dept prefers that agreement if reached on return of civilians be announced by you and by Wang in Geneva. Announcement should be identic. Announcement in Washington and Peiping would not be considered desirable. Dept will be prepared to give you advice on wording of statement when agreement is in prospect.

Dulles

11. Telegram From Ambassador U. Alexis Johnson to the Department of State ¹

Geneva, August 7, 1955—11 a.m.

335. Hammar skjöld called on me this morning to give account call Wang made on him Saturday morning. Wang delivered written message from Chou ² thanking Hammar skjöld for his last message

¹ Source: Department of State, Central Files, 611.93/8-755. Confidential.

² Telegram 112 from New York, August 15, transmitted the text of Chou's letter to Hammar skjöld, August 4, a copy of which Hammar skjöld had sent to Lodge that day along with a memorandum of his conversation with Wang. The letter stated in conclusion that the Chinese Government had already acted in a way which would facilitate positive results from the Sino-American talks and that Chou hoped Hammar skjöld would persuade the American side to respond also by deeds. (*Ibid.*, 611.93/8-1555) A copy of Hammar skjöld's memorandum of his conversation with Wang, dated August 14, is *ibid.*, UNP Files: Lot 58 D 742, American Fliers in China—General Correspondence II.

stressing release flyers not because UN resolution or UN pressure, expressing disturbance at "propaganda" on UN role, stressing desire maintain "personal" contact with Hammarskjold, and intimating desire Hammarskjold play go-between role in my negotiations with Wang. Hammarskjold transmitting copy to New York for delivery Lodge.

Wang then went on with oral presentation concerning now is time for deeds (inferentially by U.S.—not clear whether this element also included in written message). Wang then laid entire stress on representation as issue as field in which "deeds" expected indicating some flexibility in choice of country and exact formula.

Hammarskjold said in reply he stressed he could not and would not play any "go-between" role but willing do anything he properly can as "third-party".

I outlined to Hammarskjold exact situation on Chinese students, assurances I had given ChiComs this regard, expectation performance ChiComs with respect Americans to equalize situation, problem we faced on representation and our present thinking this regard. He expressed full understanding.

Hammarskjold thinks that as "Menon channel has not produced anything" Chou now hopes use him. My feeling, which I did not state to Hammarskjold, is that Chou hopes to continue playing both lines.

[Johnson]

12. Telegram From Ambassador U. Alexis Johnson to the Department of State ¹

Geneva, August 8, 1955—1 p.m.

347. Highlights fourth meeting lasting two hours twenty minutes.

Wang opened with long statement ChiCom grievances re students. Said up to now some students continue be prevented leave, citing in great detail case of Dr. Tsien, Cal Tech Rocket Expert. Claimed latter wrote Peiping authorities June 15, appealing assistance return China. Handed me list names 44 of 76 students given him last meeting who he said not yet returned China. Wang also made familiar allegations students afraid express desire return, being forced

¹ Source: Department of State, Central Files, 611.93/8-855. Confidential; Priority.

leave by unreasonable deadline or apply permanent residence, unable receive travel funds, et cetera.

I replied various points, stressing repeatedly restrictions on Chinese students, including Dr. Tsien, now rescinded and all without exception free depart if desire. As result my reiteration no restrictions against departure and contrasting with situation Americans in China Wang shifted emphasis to "practical" difficulties faced by students saying while these restrictions may have been lifted practical difficulties mounted to restraint on students. Way to solve these difficulties was to have third country look after affairs Chinese nationals in United States.

I then read prepared statement (a) turning down Wang's first proposal August 2 re list all Chinese in US; (b) pointing out we had fully met second and third proposals; (c) outlining "arrangement being considered" re fourth proposal ² and (d) again contrasted situation Americans in China emphasizing US expected all US civilians be released promptly and whatever measures necessary bring this about should be taken by Chinese. Explicit information concerning measures being taken this regard "would facilitate and expedite discussions."

Wang repeated his request for names all Chinese US and reserved right comment on our suggestions re his fourth proposal at next meeting.

I then handed Wang text proposed press announcement modified according Deptel 398. ³ Wang agreed to release with last portion first sentence second paragraph reading as follows:

"The talks so far have been confined to the matter of return of civilians to their respective countries." Since this wording conforms text of first agenda item I agreed to change.

² Johnson stated in telegram 354 from Geneva, August 8, which reported on the meeting in detail, that he told Wang his government was considering the following arrangement:

"Indian Embassy Washington could receive requests from any Chinese civilian in US who felt he being prevented from leaving. Indian Emb could investigate case sending officer to interview person if it desired and if Embassy concluded complaint justified could report facts to Dept with request for whatever action Emb considered appropriate. Emb could also act as channel for transmission travel funds and otherwise extend to individuals appropriate assistance. Both my government and Indian Embassy would give full publicity. British Embassy in China would perform same services for American nationals there, Chinese Government agreeing to give and permit publicity in same manner as arranged in US." (*Ibid.*, 611.93/8-855)

³ Telegram 398 to Geneva, August 6, authorized Johnson to seek Wang's agreement to issue a public statement that the talks so far had been confined to the matter of repatriation of civilians who desired to return to their respective countries and that the two Ambassadors had agreed to refrain from making any public statements concerning the developments at the meetings except by mutual agreement or prior notification. Johnson had suggested such a statement and transmitted a proposed text in telegram 328 from Geneva, August 5. (Both *ibid.*, 611.93/8-555)

Next meeting 10 a.m., August 10 at Wang's request. ⁴

[Johnson]

⁴ Johnson reported in telegram 361 from Geneva, August 9, that Wang had requested and he had agreed to postpone the next meeting until August 11 at 10 a.m. (*Ibid.*, 611.93/8-955)

13. Telegram From Ambassador U. Alexis Johnson to the Department of State ¹

Geneva, August 9, 1955—1 p.m.

362. Eyes only Secretary and Robertson. In considering future course these talks and our broad objectives I offer following thought.

Present context, particularly in public mind is that talks are in nature conference with definitive ending at some point in time. It seems to me some of difficulties inherent this context would be obviated if and when we reach "other practical matters" we could gradually shift to concept of contact between Wang and myself being of indefinite duration in time and intermittent in nature to be utilized at request either side.

Although possibly presenting some new difficulties I think this concept would best meet our broad objective without difficulties inherent in concept attempting prolong present series of talks.

I realize this is largely question of form rather than substance but believe it important.

What I have in mind is that at some point in discussion "other practical matters" I would attempt obtain agreement that instead of meeting more or less regularly with recesses of varying lengths we would meet only at request of other to be transmitted through Consulates General here.

There could be gradual press preparation for this and I would take advantage any opportunity prepare Wang.

While this has advantages must recognize retains disadvantages present situation in heavy public attention whenever Wang and I would appear here. However do not perceive any practicable alternative as long as Wang and I remain point of contact. ²

[Johnson]

¹ Source: Department of State, Central Files, 611.93/8-955. Secret.

² Telegram 439 to Geneva, August 10, drafted and signed personally by Dulles, replied to Johnson's message as follows:

"While it is useful to be thinking ahead we doubt that it is useful to attempt now to crystallize our thinking." (*Ibid.*, 611.93/8-1055)

14. Memorandum of a Conversation, Department of State,
Washington, August 9, 1955 ¹

SUBJECT

Negotiations with Chinese Communists

PARTICIPANTS

Ambassador V.K. Wellington Koo, Chinese Embassy

Walter S. Robertson, Assistant Secretary—FE

Walter P. McConaughy, Director—CA

Ambassador Koo said he had noted the remarks of the Secretary in his press conference of August 2. ² The Chinese Government was uneasy over the apparent possibility of a high level meeting with the Chinese Communists. The Ambassador was instructed by his Government to state that it would look with strong disfavor on any meeting between the American Government and the Chinese Communists at the Foreign Minister level. He said he would be very gratified if he could be given a confirmation that no such meeting is in prospect.

Mr. Robertson said that there was no change whatever in the American position on this. The situation was the same as when the Secretary held his press conference. There was no likelihood of such a meeting then, and there was none now.

Ambassador Koo expressed his gratification at the receipt of this information. He said his Government was also gratified to have received through the American Embassy in Taipei, a summary of the Secretary's instructions to Ambassador Johnson for the talks at Geneva. ³ He said that his Government felt the instructions were not objectionable "as far as they go".

¹ Source: Department of State, Central Files, 611.93/8-955. Confidential. Drafted on August 12 by McConaughy. A note on the source text states that separate memoranda of conversation were prepared on the following subjects which were discussed during the same conversation: "Chinese Representation in the UN" and "Registration with the UN of Mutual Defense Treaty of December 2, 1954, and Exchange of Notes of December 10". The former is scheduled for inclusion in the U.N. membership compilation in a forthcoming volume; the latter is *ibid.*, 793.5-MSP/8-955. Ambassador Koo's record of this conversation, along with his records of other conversations with U.S. officials, are in the Wellington Koo Papers, Rare Book and Manuscript Library, Columbia University, Box 195.

² See Document 3.

³ Telegram 78 to Taipei, August 3, transmitted a summary of the Secretary's instructions to Johnson set forth in his letter of July 29 (vol. II, Document 323), omitting numbered paragraphs 5, 13, 17, and 18, for transmittal to Foreign Minister Yeh and stated that on July 29 Robertson had informed the Chinese Chargé, Minister Tan, of the substance of the instructions. (Department of State, Central Files, 611.93/8-355)

Mr. Robertson said that Ambassador Johnson's authorization went no further than the instructions summarized for the information of the Chinese Government. The limitations on the discussions were clearly set forth in the instructions, and there were no instructions beyond those which had been paraphrased in [for] the Chinese Foreign Office.

Ambassador Koo said that his Government was interested in learning of the latest developments in the talks at Geneva.

Mr. Robertson said there had been no tangible progress so far on the question of the release of the American civilians. The main purpose of the talks was to get our people out. Wang Ping-nan was trying to make an issue of alleged interference with the travel to the mainland of Chinese students in this country. These allegations as to restrictions on Chinese in this country were balderdash. It was only propaganda, since the Chinese students actually are free to move about in this country and to leave the U.S. if they wish. We do not want any Communist sympathizers here as permanent residents. They are more than welcome to go to the mainland if they want to.

Ambassador Koo mentioned the Chinese Embassy statement of last week ⁴ which pointed out that the great majority of Chinese students in this country have been assisted and protected by the Chinese Government and its Embassy and Consulates in this country and that the students are loyal to their Government and still look to it for representation of their interests. They give their allegiance to the Chinese Government and not to the Chinese Communists. It is presumptuous deception for the Chinese Communists to pretend that Chinese in this country should look to the Communist regime for protection and representation.

Mr. Robertson said we had noted the Chinese Embassy statement and had sent it to Ambassador Johnson. He considered it a very good statement. He remarked that we know that the Chinese in this country, with very few exceptions, maintain their fidelity to the Chinese Government. We are aware that the Chinese Government has helped many of them with scholarships, travel arrangements and so on, and that practically all of them came to this country on Chinese Nationalist passports. Mr. Robertson remarked that there is no such thing as an exit visa in this country and Wang Ping-nan's allegations at Geneva that "exit visas" had been denied was nonsense.

Ambassador Koo said that he hoped the American Government would never admit even tacitly any degree of Communist jurisdiction over the general body of Chinese students and other nationals in this country.

⁴ Issued on August 5; the substance was transmitted to Ambassador Johnson in telegram 382 to Geneva, August 5. (*Ibid.*, 611.93/8-555)

Mr. Robertson said the Ambassador need have no fear on this score. The Communists would not be allowed to establish any contact except with those who of their own volition stated that they wanted to go back to the mainland.

Mr. Robertson mentioned that those few students who wanted to go back might have some difficulty in paying for their passage. The United States Government did not propose to pay their way back to Communist territory. However, we were not standing in the way. Anyone who wants to go to a Communist country can go—the sooner the better.

Ambassador Koo mentioned that Mr. Robertson had informed Minister Tan on July 29 that some third party such as India or Great Britain might be designated to assist the Chinese students who want to return to the mainland.

Mr. Robertson said some Embassy might conceivably be the medium for handling travel funds and making other arrangements for the return of those who expressed a wish to go back.

Ambassador Koo remarked that this arrangement would imply no official representation of Chinese Communist interests in this country, since the Embassy role would be that of a travel expeditor.

Ambassador Koo reverted to the subject of a possible conference with Communist China at the Foreign Minister level. He said that his Government would appreciate a more definite statement or formal assurance that no such meeting was contemplated. The Secretary's statement of last week was most welcome and President Eisenhower had said that he associated himself with the statement of the Secretary of State.⁵ But any doubt on this score would adversely affect the psychology of the problem on Taiwan.

Mr. Robertson said the President and the Secretary had stated most emphatically that this Government would not discuss, on any level, matters affecting the rights of the Government of the Republic of China. He felt there could be no objection to bilateral talks aimed at securing the freedom of our nationals who are held. If there should be any international conference on Far Eastern subjects where matters involving the rights of the GRC were to be discussed, "your Government would have to be there", or give its concurrence. Nothing could be decided "without your presence or your concurrence".

Ambassador Koo said his Government would appreciate a more formal assurance on the lack of any intention of Secretary Dulles to meet with Chou En-lai. He wondered if his Government could obtain a memorandum on the subject.

⁵ It is not clear which statements by the Secretary and the President are referred to here, but see vol. II, Document 319 and Document 3 in this volume.

Mr. Robertson said he did not think there was any question of a memorandum. Both the President and the Secretary of State have stated their position to the American people and to the world. He felt this was as explicit and as binding as anyone could wish.

Ambassador Koo said it was true that very satisfactory statements had been made, but they were rather informal.

Mr. Robertson observed that they were categorical and were on the record. He did not see how they could have more force or more effect. He offered to send the Ambassador a copy of the press conference.

The Ambassador said he already had the record of the press conference. He needed something more formal.

Mr. Robertson said he felt that what had been said could not be more official. A public affirmation of our position before all the world was better than a classified communication. It put the whole world on notice what our position was.

Ambassador Koo said his Government did find much assurance in the statements of Mr. Robertson himself, the Secretary, the President and the American Chargé in Taipei. They had all made it clear that there would be no talks involving the essential interests of the Chinese Government without its presence or concurrence.

Mr. Robertson said he could reaffirm that no matter would be taken up with the Chinese Communists which involved the rights of the Republic of China without the presence or concurrence of the GRC.

Ambassador Koo asked if that would still be the U.S. position if talks with the Peiping regime at the Foreign Minister level should ever be held.

Mr. Robertson said yes, that was correct, in the unlikely event that such talks should sometime be held. He remarked that discussions at that level were no closer now than they had been when the Secretary was asked about this subject at his press conference.

15. Telegram From the Secretary of State to Ambassador U. Alexis Johnson, at Geneva ¹*Washington, August 10, 1955—6:56 p.m.*440. Your 364 August 9. ²

1. Concur you should stand on position that the first necessity is for ChiComs to match US position regarding return if desired. Only when the principle of free return has been conceded is it useful to consider the means, if any, needed to implement this principle. In most cases, certainly in this country and surely for Americans in China, no third party intervention is needed.

2. We question fairly prolonged recess in view of Chou En-lai's July 30 statement that "the number of American civilians in China is small and the question can be easily settled". We believe that we should seek to hold the ChiComs to this utterance of Chou En-lai.

3. We believe that the right of return should be conceded to all Americans but agree that we should not commit ourselves now to an "all or nothing" position.

4. We are not disposed to broaden Indian Embassy representation to cover follow up of inquiries by parents or relatives in China since this would open the way for mass appeals whereby the ChiComs would in fact gain opportunity to intimidate or influence Chinese aliens here. ³

¹ Source: Department of State, Central Files, 611.93/8-955. Confidential. Drafted and signed by Dulles; cleared with Robertson.

² In this telegram, Johnson transmitted suggestions for the coming meetings. He commented that "we should stand on position performance by ChiComs re Americans essential to agreement on representation proposal and that agenda proposed by ChiComs and accepted by US precludes discussion any other matter until civilian problem resolved" and stated that he planned, if necessary, to suggest a "fairly prolonged recess 'to give them time to give further consideration to cases Americans'". He noted that decisions would have to be made at some point as to the degree of performance which would be considered sufficient for an agreement on representation, although he did not think this decision could or should be made immediately, and as to whether to accept a representation arrangement allowing the Indian Embassy to make inquiries initiated by relatives in China, which he expected Wang to propose and which he thought would be acceptable. He stated that he planned to present a list of missing American prisoners of war from the Korean war and the 11 missing Navy and Coast Guard personnel as the first item under "other practical matters". (*Ibid.*)

³ McConaughy wrote in letter No. 2 to Johnson, August 10, that he and Robertson hoped to meet with Secretary Dulles that day concerning Johnson's telegram 364. The letter reads in part as follows: "There is considerable skepticism as to whether we should be prepared to give on the representation proposal to the extent that you suggest. The symbolic significance of the representation issue has become magnified here and every angle of any agreement we make will be exposed to the closest scrutiny in many quarters. The GRC of course is watching us like a hawk on this. Wellington Koo was in yesterday chiefly to stress the dangers implicit in any concession on the representation issue going beyond students who take the initiative to return to the mainland." (*Ibid.*, Geneva Talks Files: Lot 72 D 415, Geneva—Correspondence Re US-PRC, 1955-1956)

5. Agree with your next item.⁴

Dulles

⁴ See the last sentence of footnote 2 above.

16. Telegram From Ambassador U. Alexis Johnson to the Department of State¹

Geneva, August 11, 1955—1 p.m.

402. Following is text of draft agreement proposed today by Wang:

"Agreement on the question of the return of civilians of both sides to their respective countries adopted by the Ambassadorial representatives of the People's Republic of China and the United States of America in their talks held in Geneva.

1. Both sides declare that the nationals of each side residing in the other who desire to return to their respective countries are entitled to depart for their respective countries. Civilians of the above description who are involved in unfinished civil or criminal cases under the laws of the country of their residence shall be entitled to the same right upon the settlement of their civil or criminal cases.

2. In order to guarantee the implementation of the above principle, the People's Republic of China and the United States of America will each entrust the Republic of India and the United Kingdom respectively with the charge of the affairs of the return of civilians of the respective countries residing in the other. The countries thus entrusted shall perform the following duties:

a. Upon the request of a civilian of one side residing in the other who desires to return or upon the request of his government made in his behalf the entrusted country shall make representations with the government of the country in which this civilian is residing with a view to settling his difficulty in departure;

b. In the event of a civilian of one side residing in the other who desires to return and who is being prevented from doing so, the entrusted country shall, upon his personal request or the request in his behalf by his government, conduct investigations and make representations with the government of the country in which the civilian concerned is residing in accordance with the findings of the investigation with a view to arriving at a settlement;

¹ Source: Department of State, Central Files, 611.93/8-1155. Official Use Only; Priority. Received at 9:58 a.m.

c. In the event of a civilian of one side residing in the other who desires to return and who finds difficulty in paying off the return journey the entrusted country shall render him assistance on behalf of his government.

3. Upon the acceptance of the trusteeship described above by the Republic of India and the United Kingdom in response to the requests of the People's Republic of China and the United States of America respectively, both sides shall give wide publicity to the details of this agreement by means of all available news media. The Republic of India and the United Kingdom may also give similar publicity which they consider appropriate in the United States of America and the People's Republic of China respectively."

[Johnson]

17. Telegram From Ambassador U. Alexis Johnson to the Department of State ¹

Geneva, August 11, 1955—1 p.m.

403. At meeting this morning issue was clearly joined. In interest expediting agreement and although not completely satisfactory to Chinese Wang submitted "draft agreement" incorporating but somewhat broadening along line anticipated mytel 364, ² our representation proposal (text by separate tel) ³ and stated that if concluded "I will advise you very soon concerning results review" cases detained American nationals. During course informal discussion he mentioned release fliers as Chinese gesture and expectation gesture from US.

I stressed degree we have gone meeting their point of view, that is removal all restrictions against Chinese in US, consideration representation proposal, lack substantial results his last year's promise review cases Americans, length time Americans in prison, lack of value representation proposal to Americans in China whose situation could be resolved only by action his government, inequality situation

¹ Source: Department of State, Central Files, 611.93/8-1155. Confidential; Priority. Received at 10:20 a.m.

² See footnote 2, Document 15.

³ *Supra*. Johnson's detailed report of the meeting, in telegram 412 from Geneva, August 11, reads in part as follows:

"Wang continued, saying at last meeting I had stated US Government considering certain arrangement. He then proceeded repeat almost word for word arrangement I had suggested previous meeting. He went on to say in opinion his government this arrangement could not satisfy demands of nationals both sides, especially Chinese nationals in US. However in interest speedily reaching agreement on first agenda item he was ready agree basically such arrangement as first step in safeguarding interests nationals both sides." (Department of State, Central Files, 611.93/8-1155)

two groups nationals, and repeated with increasing directness agreement representation not possible until action their part Americans.

During course considerable give and take Wang increasingly clear in implication no action on Americans until representation agreement but that such action would promptly follow agreement.

Movement this morning was also explicitly in context agenda item one completed with agreement on representation and desire move on immediately to agenda item two.

Next meeting Saturday, August 13, 10 am.

While continuing give no info press on meetings am informally taking line central issue has been and remains release Americans.

[Johnson]

18. Telegram From the Secretary of State to Ambassador U. Alexis Johnson, at Geneva ¹

Washington, August 11, 1955—8:30 p.m.

466. Your 402, ² 403 ³ and 417. ⁴ Our objections to Wang's draft agreement summarized separate telegram. ⁵ You will be instructed in time for August 13 meeting.

¹ Source: Department of State, Central Files, 611.93/8-1155. Secret; Priority. The source text lists Dulles and McConaughy as the drafters, but the Secretary did not initial. Approved for transmission by Robertson.

² Document 16.

³ *Supra*.

⁴ Johnson commented in telegram 417 from Geneva, August 11, on the meeting that day and on the Department's instructions to him in telegram 440 (Document 15). He stated that it was difficult for him to argue the principle of free return since "substantially all Americans are being detained on pretext crimes and claims" and since he was unable to say that the United States would permit Chinese who had committed crimes to depart. He had, therefore, been "attempting to keep discussion within framework practical situations." The telegram continues as follows:

"Today's meeting makes clear that ChiCom asking price for further action on release Americans is representation arrangement. Present ChiCom position asking US for performance on representation arrangement in return for promise on Americans is clearly unacceptable.

"However problem we will be facing is how many Americans we insist on in return representation arrangement. I have up to this time and will as long as it seems useful talk in terms 'all Americans' although in context give and take at today's meeting I left door open for something short of that.

"Do not feel we will obtain release any further Americans prior to agreement on representation but that we should strive for simultaneous announcement release Americans with announcement agreement on representation.

"At Saturday's meeting I plan again to press Wang on release Americans possibly obliquely suggesting simultaneous announcement as mentioned above and argue

Continued

FYI We wish avoid formal agreement with Chinese Communists. Prefer unilateral US declaration which would be matched by corresponding Chinese Communist declaration. We are considering draft declaration reading as follows:

"1. The United States of America declares that Chinese nationals in the United States who desire to return to the China mainland are entitled to depart for the China mainland.

2. The Embassy of the Republic of India in the USA is authorized to assist in such return as follows:

(a) If a Chinese national believes that, contrary to the above Declaration, he is encountering official obstruction in departure, he may so inform the Indian Embassy and the Indian Embassy will, if desired by the C.P.R., intervene on such civilian's behalf with the Government of the United States.

(b) If a Chinese national in the USA who desires to return to the China mainland has difficulty in paying for his return journey, the Indian Embassy may render him the financial assistance needed to permit of his return.

3. The Government of the United States will give wide publicity to the foregoing provisions of this Declaration and the Embassy of India in the USA may also do so.

4. This Declaration shall remain in force for at least 90 days and thereafter until notice of termination has been given by the Government of the United States to the Indian Embassy in the USA.

5. The provisions of Paragraphs 2, 3 and 4 hereof shall come into force when a corresponding Declaration (with the substitution of the Government of the United Kingdom for the Government of the Republic of India) has been made by the C.P.R."

Transmit your reaction immediately so that we may have the benefit of your views before instructions drafted tomorrow afternoon.

Dulles

against broadening our suggested arrangement on representation." (Department of State, Central Files, 611.93/8-1155)

⁵ Telegram 470 to Geneva, August 12, informed Johnson that the Department considered that Wang's draft represented no basic advance, since the cases of all detained Americans were classified by the Communists as either criminal or civil, and that it objected to the provision for "investigation upon request of Government" which would enable the Chinese to request investigation of and make representations regarding "unlimited" numbers of Chinese in the United States. (*Ibid.*)

19. Telegram From Ambassador U. Alexis Johnson to the Department of State ¹

Geneva, August 11, 1955—8 p.m.

418. Following are our general observations thus far. While Wang has been bargaining hard he has been avoiding uncompromising and extreme positions usually taken by Communist negotiators. At today's meeting in particular his review of my previous statements was notably accurate and devoid of usual attempts at distortion and misrepresentation. In fact he seemed entirely to accept my previous statements as meeting the requests embodied in his points two and three and while mentioning point one in effect dropped it. He is acting much more in tradition of old time Chinese bargainer than Communist diplomat.

He has almost completely avoided usual Communist cliches and language as interpreted by his translator which is basis reports our messages tends be considerably more brittle than in original Chinese.

He is uniformly courteous at meetings and I now have definite impression from manner as well as substance that they desire reach agreements. ²

[Johnson]

¹ Source: Department of State, Central Files, 611.93/8-1155. Confidential. Received at 8:45 p.m.

² McConaughy commented in a letter of August 12 to Johnson that this telegram was "of special interest", and continued as follows:

"I believe there is a tendency here to read less significance into his conciliatory approach than you may be inclined to do from there. The semblance of reasonableness and willingness to go part way may be recognizable, but when his draft agreement is taken apart there is really nothing in the way of tangible concession at all. There is as yet no assurance that the Chinese Communist position on the Americans is any different from what it was last year. Undoubtedly they would be willing to release the Americans in return for the sort of broad representation arrangement which they are seeking. But a concession on this from us is not to be expected. In the absence of a complete yielding by us on the representation issue, can any substantial 'give' by the Communists on the detained Americans really be expected? Maybe so, but there is as yet nothing we can rely on.

"There is something of a feeling here that you do not need to show a great measure of tolerance of Wang's proposals when their terms reflect no assured advance." (*Ibid.*, Geneva Talks Files: Lot 72 D 415, Geneva—Correspondence Re US-PRC, 1955-1956)

20. Telegram From the Secretary of State to Ambassador U. Alexis Johnson, at Geneva ¹

Washington, August 12, 1955—7:46 p.m.

478. Your 428. ²

1. Agree form should be unilateral simultaneous declarations and our 466 was designed to suggest the form of such a declaration.

2. "If desired by C.P.R." can be deleted at your discretion. We proposed it with a view to creating a situation such that in the C.P.R. Declaration the Government of the United Kingdom would not be obligated to seek the return of American turncoats in China whom we do not want to get back.

3. See no objection to insertion in 2(a) of words "if it deems such a complaint valid" as precondition to intervention on civilians' behalf. Some such language would conform to your original presentation ³ which is unobjectionable.

4. 90-day clause was designed to permit of subsequent modification if conditions change. We do not want to be committed in perpetuity to a situation where Chinese Communist spies could operate in this country, knowing that if caught there would never be any penalty other than their prepaid first-class ticket to China. However, possibly it is sufficient to drop out reference to 90 days and merely provide that the Declaration shall be valid until notice of termination given or possibly nothing need be said explicitly about termination

¹ Source: Department of State, Central Files, 611.93/8-1255. Secret; Priority. Drafted and signed by Dulles; cleared with Robertson and McConaughy.

² Johnson commented in telegram 428 from Geneva, August 12, on the draft sent to him in Document 18. His comments read as follows:

"1. Believe form should be unilateral simultaneous declarations agreed in advance and issued here as suggested my 317.

"2. Do not see necessity for phrase 'if desired by CPR' in para 2(a).

"3. Believe desirable particularly on behalf Americans in China retain element of investigation validity complaint suggested in my original presentation.

"4. Believe 90 day limit as presently worded not desirable as carries erroneous implication that at end 90 days US may no longer be willing permit departure Chinese aliens. If 90 day limitation considered necessary believe should be limited to para two.

"5. Para 5 would tend destroy our present bargaining position in using representation agreement as cheese to obtain Americans and would not be necessary under concept in para one above. ChiComs could well fully subscribe this agreement and continue hold Americans whom they allege have committed crimes or have unsettled claims.

"Do not believe it necessary or desirable submit counter proposal tomorrow. Believe we require further time for careful study and decision on any counter proposal and at tomorrow's meeting I can confine myself to debate on ChiCom broadening our proposal, if Department concurs, suggesting form unilateral simultaneous declarations, say we are still studying and will have further observations later. Also will continue press Wang on release Americans along lines I followed at last meeting." (*Ibid.*) Johnson's telegram 317 from Geneva, August 5, is not printed. (*Ibid.*, 611.93/8-555)

³ See footnote 2, Document 12.

as long as it is understood that it is not necessarily in perpetuity but subject to reasonable termination.

5. We do not understand what you mean as the Declaration referred to includes of course the whole Declaration, including paragraph numbered one which the Chinese could not subscribe to and continue hold Americans. In other words the Chinese Communists do not get benefit of Indian participation unless and until they have declared that all American nationals in Communist China who desire to return to the USA are entitled to depart.

We do not suggest you should submit counterproposal until in your judgment this is appropriate or until otherwise instructed. At some point, however, we feel it may be necessary to submit a concrete proposal in form which could be subsequently made public in the event that no agreement is reached.

At your meeting tomorrow, we think it of utmost importance that you should firmly reject the objectionable features of the ChiCom proposal (your 402, ⁴ Dept's 470 ⁵). We doubt whether you should be stating that you are "still studying" giving the impression that we are uncertain and open to persuasion. It seems to us that a firm negative reaction will probably be more productive.

Dulles

⁴ Document 16.

⁵ See footnote 5, Document 18.

21. Telegram From Ambassador U. Alexis Johnson to the Department of State ¹

Geneva, August 12 [13], 1955—1 p.m.

448. Wang opened this morning's meeting with statement that if I would immediately agree upon his draft agreement he would before announcement thereof made give me and publicly release results review those cases Americans both prisoners and exit permit cases in which review completed. Was clear to us that "review" not "completed" cases all Americans. In context satisfied "completion of reviews" meant release but was unable obtain any indication number.

During course much give and take there was strong implication that he was probably prepared accept my original formulation for third party representation.

¹ Source: Department of State, Central Files, 611.93/8-1255. Confidential; Niact.

During course give and take I also obtained from him categorical statement that cases all Americans including category (d) his August 2 list (Downey and Fecteau) being "reviewed".

In reply I referred again to measures taken by US Government permit departure Chinese, our categorical assurances none prevented from departing and stated I had hoped results of "review" on Chinese side would permit him make same statement to me, that is no American desiring return being detained. I stressed inequality of situation and expressed disappointment early settlement forecast by Chou En-lai had not materialized. I could not consider agenda item one settled until all Americans able return.

I then commented on draft agreement stating our original formulation fully and adequately meets situation and that provision for "investigation upon request of government" entirely unnecessary. I said I was not in position accept draft agreement or its present form and reserved right for further comment.

Wang then pressed me to state any other objections. In reply I pointed out second sentence first paragraph his draft offered nothing to Americans detained in China.

I then outlined our thoughts on form of simultaneous unilateral statements giving as rationale those matters "concerned internal affairs" each country. I said any statement we made would include categorical statements I had made to him during course of meeting on freedom Chinese depart from US together with whatever arrangements made for third party representations. I said I would expect any statement from his side to include whatever action they had taken with regard to Americans and that I would hope and expect it would include categorical statement similar to that we have made concerning departure Chinese together with arrangements for third party representation. I said this was my tentative thinking at the moment not a formal proposal but that I would embody my thoughts into a specific proposal at our next meeting. Wang strongly resisted concept saying it would show we had not been able agree. I pointed out that need not be case, that he had perhaps misunderstood my concept which was that the unilateral statements of which the other would take note would be released by joint agreement. He would not agree to concept, pushing hard for "joint announcement" along lines July 25 statement and our agreement on agenda. I said rather than discuss further would give him concrete suggestion next meeting.

I shared Wang's concern over amount of time spent agenda item one pointing out it could have immediately and expeditiously been resolved by release all Americans in China. This would have "laid sound basis" upon which we could enter into mutually acceptable agreement on third party representation and permit fruitful discussion other practical matters.

Next meeting Tuesday, August 16, 10 am. Comments follow.²
[Johnson]

² See *infra*.

22. **Telegram From Ambassador U. Alexis Johnson to the
Department of State**¹

Geneva, August 13, 1955—9 p.m.

457. Developments at today's meeting show that our tactics of keeping representation arrangement as bait for release Americans has paid dividends. (I carefully avoided at today's meeting asking "how many" as such a question could not have been put without weakening stand on release of all.)

Question we now clearly face is whether we can or should pursue this tactic further.

We all have strong impression from today's meeting that it will not be possible further to advance position we have gained without great difficulty and much time.

Question therefore is what approach is going to get most Americans out in shortest time. Related to this is question whether we are justified in taking action which will result those Americans whose release we can now obtain remaining in prison because we strive to obtain simultaneous release larger number or all of them. I refrain from commenting on coldblooded attitude ChiComs which has brought about this situation but simply say it is fact we must face in dealing with these people however distasteful it may be.

We have carefully discussed among ourselves all aspects problem and have come conclusion that course in best overall interests detained Americans is to reach some agreement on representation at present point.

First we strongly feel that I would not in foreseeable future be able to move Chinese off of legalistic approach to individual American cases. They are not going take simultaneous action on cases all Americans which would jeopardize their ability maintain public pretense action is result workings "justice". I have tried hard avoid backing them into corner where they could not do this and believe

¹ Source: Department of State, Central Files, 611.93/8-1355. Secret; Priority; Limit Distribution.

any other course would only indefinitely delay release of any Americans regardless strength Chinese desire get ahead to item two.

Second we believe that after release of first group we will be able maintain steady pressure for release of remainder during course talks on "other practical matters". ChiComs obviously very anxious get to "other practical matters" and while they will want much we not able give believe we should be able play hand so as to continue pressure for release. I now have commitment for "review" all cases including Downey and Fecteau and can take maximum advantage all opportunities exploit this. Of course ChiComs could continue hold remaining prisoners for further bargaining but they may well estimate prisoners are diminishing asset and I do not exclude possibility of fairly prompt release remainder. Of course, before agreeing proceed second agenda item we would reserve right revert agenda item one as long as any Americans detained.

Third, they have come so far on substance our representation proposal that it is difficult maintain further discussion this except in context straight trade for release Americans. In fact this point virtually reached at today's meeting. In this connection believe it helpful recall that original concept before these talks was that agreeing to representation proposal would assist in obtaining release Americans. I undertook tactic use as bait obtain release some Americans and avoid anticipated ChiCom tactic of asserting agenda item one completed with agreement on representation. Believe it would be mistake now to extend this tactic to point of making release all Americans price of representation agreement.

If Dept agrees with foregoing position it will be very important that at Tuesday's meeting I have the maximum discretion Dept is willing to give me and instructions on our minimum positions on points at issue.

I would plan at Tuesday's meeting to present Wang with a draft of simultaneous unilateral statements to be issued by joint agreement accordance our agreement on private nature these talks. (See following tel for text.)²

² The draft "agreed announcement", which Johnson transmitted in telegram 458 from Geneva, August 13, states that the American and PRC Ambassadors had "agreed to announce the measures which their respective Governments have adopted with respect to return of nationals of each located in country of other" and set forth statements, identical in substance, to be made by each Ambassador. The proposed U.S. statement reads as follows:

"1. USA recognizes that Chinese nationals in US who desire return to PRC are entitled do so and declares that no Chinese national who desires depart US for PRC is being prevented from doing so. This includes all those Chinese nationals who were at one time prevented from departing US.

"2. Embassy of Republic of India in US will be authorized assist return to PRC of those Chinese nationals who desire to do so as follows:

For best bargaining position I would require considerable discretion exact language we would be willing accept so that I can press him for agreement and reach firm as possible understandings. Possibility should not be excluded he willing reach immediate agreement and make statement public.

I do not believe I should be in position of asking him how many they are releasing before entering into agreement on representation, or being required to haggle over numbers or in any way ever to imply that we are satisfied with anything other than release of all. Do not believe I should go any further toward bald position of bargaining representation agreement against Americans.

I will also require instructions on our minimum position on enlarging scope of representation proposal to include governmental inquiries or inquiries from families. There were some indications at today's meeting Wang may be prepared recede on this point and I will of course press hard on it. However if we are willing to concede in any way (and I believe we should for reasons set forth my tel 364³) it would be of maximum bargaining use to me at Tuesday's meeting.

If Dept does not accept foregoing general approach situation is such I do not at moment see any alternative for Tuesday's meeting other than asking him for numbers of Americans they prepared now to release (which I think undesirable for reasons stated above), indicate number is unsatisfactory, and recess talks, at least on item one, until they have "completed review" of more or all cases (I would have to indicate which) and we would then have to be prepared on that position.

"(a) If a Chinese national believes that contrary to declared policy of US he is encountering official obstruction in departure he may so inform Indian Embassy and Indian Embassy will, if it deems such complaint valid and if desired by PRC, intervene on such national's behalf with Government of US.

"(b) If a Chinese national in US who desires to return to PRC has difficulty paying return journey, Indian Embassy may render him financial assistance needed to permit his return.

"3. Government of US will give wide publicity to foregoing arrangements and Embassy of India in US may also do so."

Johnson commented that Wang would almost certainly reject the statement on the ground that his government was not yet prepared to state that all Americans, including those who had been detained, were free to leave and suggested that he be authorized to accept, if necessary, a substitute paragraph 1 along the following lines:

"PRC recognizes that American nationals in PRC who desire return to US are entitled do so and declares that aside from those American nationals previously prevented from leaving PRC whose release has just been announced PRC has undertaken speedily review cases all remaining Americans whose departure being prevented by reason of imprisonment or otherwise and promptly settle these cases in spirit of foregoing declaration of policy."

³ See footnote 2, Document 15.

Will remain Hotel du Rhone tomorrow from 2 p.m. in event Dept believes any phone discussion possible or desirable.

[Johnson]

23. Telegram From the Secretary of State to Ambassador U. Alexis Johnson, at Geneva ¹

Washington, August 14, 1955—9:27 p.m.

495. Your 457 and 458 presumably crossed our 492 ² which authorizes you to agree to joint statement as urged by Wang. This is only concession you should make at August 16 meeting apart from minor drafting changes not involving matters of substance. No retreat position as suggested by proposed substitute paragraph in latter part your 458 ³ authorized and no possibility of any retreat position should be intimated.

We believe it essential to hold tenaciously to our basic position on return of all detained nationals as part of any agreement on representation before we proceed to discussion of Item 2 of Agenda. Wang is eager to obtain representation arrangement and to open up Item 2. If we yield on these key points before we obtain firm com-

¹ Source: Department of State, Central Files, 611.93/8-1355. Secret; Priority. Drafted by McConaughy; cleared in draft by Dulles and Sebald and in substance by Robertson. McConaughy wrote in a letter of August 15 to Johnson that Robertson had seen his telegrams 457 and 458 (*supra* and footnote 2 thereto) before departing for 2 weeks and "could not have been more emphatic in his reaction that we should not give up our main trading points in return for half a loaf or less. He felt that to do so would mean throwing in the sponge when we may have come close to the point of agreement on all the Americans. His view was generally shared by all who were working on the matter including the Secretary." (*Ibid.*, Geneva Talks Files: Lot 72 D 415, Geneva—Correspondence Re US-PRC, 1955-1956)

² Telegram 492 to Geneva, August 13, drafted by Dulles, authorized Johnson to agree to a joint statement and transmitted a draft, which reads as follows:

"The USA and the CPR have respectively declared on the one hand that Chinese nationals in the US who desire to return to the Chinese mainland are now free to do so, and on the other hand that US nationals on the Chinese mainland who desire to return to the US are now free to do so.

"If any national so entitled to return believes that contrary to the above, he is encountering official obstruction to departure, he may in the case of a Chinese inform the Indian Embassy in the USA, and in the case of a US citizen inform the UK mission to the CPR which may investigate the facts and intervene on such civilian's behalf. Furthermore, these missions may render financial assistance needed to permit any civilian to return.

"Wide publicity will be given in each case to the provisions of respective declarations and the referred-to missions may also give appropriate publicity." (*Ibid.*, Central Files, 611.93/8-1255)

³ See footnote 2, *supra*.

mitment covering all our nationals we are left without any suitable pressures which we can exert on behalf remaining detained nationals. It would be doubtful if we could obtain their release without responding to new demands made by Chinese communists under Item 2.

You should maintain unremitting pressure on Wang for acceptance our principle, relying heavily on statements in Chou's July 30 speech that "The number of American civilians in China is small and their question can be easily settled" and "it should be possible . . . ⁴ to reach, *first of all*, a reasonable settlement of the question of the return of civilians to their respective countries."

Draft text "agreed announcement" your 457 [458] approved subject to observations below based on our 492.

(a) In Para. 1, first sentence, "Chinese mainland" preferable to "PRC". You may concede this point if you consider advisable.

(b) In same sentence, "now" should be inserted before "entitled" and before "prevented" to make clear that declaration is subject to reasonable termination.

(c) Your Para. 2 believed slightly less desirable than Para. 2 our 492, in that latter accords clear right of investigation to Embassy after initiative taken by a national entitled to return.

You should cable us promptly exact text you propose submit.

If you are unable induce Wang accept "agreed announcement" at August 16 meeting, you should express your regret at necessity for another meeting on Item 1.

Dulles

⁴ Ellipsis in the source text.

24. Telegram From Ambassador U. Alexis Johnson to the Department of State ¹

Geneva, August 16, 1955—5 p.m.

490. As stated my 485 ² no visible progress made today on fundamental issue of return of Americans. Wang stuck firmly to his previous position on cases being reviewed and we would promptly be informed results those completed. He raised no objections to form

¹ Source: Department of State, Central Files, 611.93/8-1655. Confidential; Priority.

² Johnson gave a brief, preliminary report in telegram 485 from Geneva, August 16, on his meeting that morning with Wang. (*Ibid.*, 611.93/8-1155)

our draft agreed announcement (mytel 463 ³) and confined objections to para one, pressing for substitution para one his draft ⁴ and for broadening scope para 2 (a) to include inquiries initiated by respective governments. Only other point was substitution "China" for "China mainland" to which I countered with substitution by People's Republic of China to which he made no definite reply. However he reserved right further comment.

I again argued against broadening scope para 2 (a) as unnecessary and pointed out direct mention of and discretion given PRC our draft that para. Discussion this point inconclusive.

However discussion centered around two versions para one with much talk from Wang about international law, sovereignty, extra-territoriality, jurisdiction over foreigners, attempt by US establish principle Americans not subject PRC law, reciprocal and bilateral nature their para one which recognizes US jurisdiction over Chinese in US, they not asking us exempt from US jurisdiction Chinese in US involved in crimes or having unsettled debts, why should we ask them do so for Americans in China etc.

In reply I disclaimed intention raise theoretical questions jurisdiction. Our para one dealt with practical situation and we asked them say no more than we said ourselves. Said I recognized their desire handle matter within framework their law, para one our draft specifically designed enable them to do so, was not something imposed but simply statement what each government decided do within framework its sovereignty and laws. Chou's statement before talks led me believe would promptly and easily be done with respect Americans. Puzzlement at time thus far consumed with no results whatever on Americans. All I had were vague statements cases being "reviewed". Simultaneous release of flyers who had received varying sentences pointed up what could be done when they wanted to (he

³ In telegram 463 from Geneva, August 15, Johnson transmitted the text of the draft agreed announcement which he planned to give Wang the next day. It was identical to the draft which he had proposed to the Department on August 13 (see footnote 2, Document 22) except for revisions made in accordance with telegram 495, *supra*. In the proposed U.S. statement, numbered paragraph 1 reads as follows:

"USA recognizes that Chinese nationals in US who desire return to China mainland are now entitled do so and declares that no Chinese national who desires depart US for China mainland is now being prevented from doing so. This includes all those Chinese nationals who were at one time prevented from departing US."

Paragraph 2(a) reads as follows:

"If a Chinese national believes that contrary to declared policy of US he is encountering official obstruction in departure he may so inform Indian Embassy and Indian Embassy may, if desired by PRC, investigate facts and intervene on such national's behalf with Government of US."

"China mainland" had been substituted for "PRC" in every case in which it signified location. (*Ibid.*, 611.93/8-1555)

⁴ Proposed by Wang on August 11; see Document 16.

had previously alluded to flyers) etc. In reply my specific questions as to what he objected in para one our draft he indicated might be acceptable if second sentence first para his draft added. I immediately rejected pointing out that as far as Americans in China concerned this took away [garble] ⁵ two sentences our draft and still left Americans where they were when these talks started. Said I held no brief for exact wording our para one, what I was interested in was substance which I considered vital. Willing consider any wording he might suggest with same substance. At end long discussion these lines both tacitly agreed neither had anything more to say and agreed meet Thursday with usual fencing as to who was going to do most thinking over subject during interim.

At close this phase he said wished "raise another point" and brought up "propaganda campaign" which had been "launched in order slander Chinese people" etc. Since beginning talks PRC "has repeatedly made clear its conciliatory attitude". Questions "mistreatment" raised. PRC could "endlessly recount miserable treatment" captured Chinese in Korea, campaign was having "adverse effects" talks here etc. I had clear feeling he had received specific instructions make statement and that he was somewhat reluctant do so. I deliberately showed anger and curtly replied I did not understand his motive in raising [this point?]. Accounts I had seen were factual interviews with men released. ⁶ Our free press accounts not unique, almost all released have told similar accounts. Fault was not with accounts but with treatment that gave rise to accounts. These reports

⁵ Johnson's detailed report of the meeting, which he sent in telegram 499 from Geneva, August 16, reads at this point as follows:

"I pointed out second sentence his paragraph took away from American nationals everything granted them in rest of paragraph since American nationals prevented from departing China were described by him as involved in crimes or civil cases." (Department of State, Central Files, 611.93/8-1655)

⁶ Dulles commented in telegram 526 to Geneva, August 16, marked "Personal for Johnson from Secretary", that he had the impression that the Chinese had intended to announce the release of the U.S. civilians promptly, expecting that this would create a wave of good feeling toward them, but that they had altered this policy because reports of their treatment of the fliers had created a wave of indignation. The message continues:

"ChiComs should realize that whenever prisoners are returned there is inevitably initial wave of resentment as they tell their stories. This is a phase which ChiComs must live through and they do not get anywhere by postponing it. However, once the American civilians are out of China, then we may be compelled to alter our policy toward visitors to the China mainland because principal reason for deterring those visitors will have ceased, namely that we do not want more Americans to get in until it has been demonstrated that those now there can get out. Subject to possible restraint of Foreign Assets Control Regulations visits will then occur which would bring back reports which if facts justify may lead to a different judgment. I do not know whether ChiComs realize this possible sequence of events or whether you will want to intimate it to them in a very cautious way without of course any promises. In any event, it may be useful for you to know my thinking on this matter." (*Ibid.*, 611.93/8-1655)

had raised anxiety in US over Americans in China and made it all more important find early resolution to problem. He was somewhat taken aback and endeavored smooth atmosphere before we left.

[Johnson]

25. Telegram From Ambassador U. Alexis Johnson to the Department of State ¹

Geneva, August 16, 1955—10 p.m.

500. Believe following are among considerations in planning our next moves:

1. Do not believe we should minimize importance ChiCom devotion to "legal forms" in spite their agility in adopting their forms to suit their political needs. It will be seen from today's meeting as well as previous I have tried hard to leave them a "legal" way out and believe this should be continued.

2. Also believe they now consider flyer release was probably tactical mistake that has largely backfired on them rather than producing hoped-for results. This has not increased standing Peiping proponents of release of American prisoners.

3. Possible additional factor is suspicion from our tactics we have been trying trick them into releasing Americans while holding out bait third party representation which we intended find excuses for withdrawing after release accomplished. Our proposal today will have removed any doubts they may have had this regard.

Believe present tactic can be continued for little while longer particularly at Thursday's meeting when Wang will have had opportunity receive Peiping reaction our today's proposal. Now believe we should if possible avoid any prolonged recess which would require public explanation and inevitably return problem to public propaganda forum while Americans remained in prison. Therefore believe that I should strive as necessary keep discussion going while continuing maintain my present position.

In order accomplish these purposes and in light today's discussion, request authorization propose at next meeting amendment first sentence numbered paragraph 1 draft "agreed announcement" (mytel 463 ²) by insertion phrase "as a result of official action taken in accordance with its governmental processes" following words "and de-

¹ Source: Department of State, Central Files, 611.93/8-1655. Secret; Limit Distribution.

² See footnote 3, *supra*.

clares that". Same amendment to be made in paragraph one PRC section. ³

Would appreciate any other suggestions Department may have in this regard.

I do not anticipate Wang is going to attempt precipitate any "break" in discussions but rather that he will face me with statement they have gone as far as they can go and there is nothing further to talk about under item one.

At that point I perceive no alternative under our present tactic except to propose a recess as suggested in first paragraph Deptel 496. ⁴ However I believe that to publicly explain the recess I should first propose to Wang we make a simple joint statement somewhat to the effect that two of us have decided that a recess would be helpful in resolving the remaining problems standing in the way of final agreement. I feel we should if possible avoid unilateral public statement along lines suggested Deptel 496 as seems to me this would constitute a public challenge and return problem to propaganda forum. ⁵

Dept will observe Wang pressed me hard today on question raised last para mytel 458 ⁶ and my efforts avoid direct reply. Would appreciate Dept's suggestions on what further I might usefully say if as anticipated he continues press me on this. ⁷

[Johnson]

³ Telegram 542 to Geneva, August 17, approved by Dulles, authorized Johnson to propose these amendments. (Department of State, Central Files, 611.93/8-1755)

⁴ Telegram 496 to Geneva, August 15, drafted by Dulles, instructed Johnson that if a break in the talks was threatened over the first agenda item, he should suggest a recess of approximately 2 weeks to permit the Chinese Communists to complete their investigation of certain American cases, informing Wang that when they recessed the United States would state publicly its willingness to make a joint declaration along the lines Johnson had proposed. (*Ibid.*, 611.93/8-1555)

⁵ Telegram 542 to Geneva, cited in footnote 3 above, instructed Johnson that he should propose a recess only in case of a threatened break and stated that the instructions in telegram 496 to Geneva, cited in footnote 4 above, were designed to enable him to demonstrate the strength of the U.S. position from a public relations standpoint, on the assumption that this would probably make Wang try to avoid a recess. (*Ibid.*, 611.93/8-1755)

⁶ Johnson commented in telegram 458 from Geneva, August 13 (see footnote 2, Document 22), that he had always assumed that the United States could not and would not agree to the blanket return of any Chinese who might have committed crimes but that he had been taking maximum advantage of the fact that the Department knew of no Chinese under arrest who wished to return. He asked to be informed if the United States was willing and able to assure the departure, even for a limited time, of any Chinese, regardless of any crimes they might have committed.

⁷ Telegram 541 to Geneva, August 17, informed Johnson that the Department was unable to help him on this point and commented that the question had "difficult constitutional, administrative and political ramifications." (Department of State, Central Files, 611.93/8-1655)

26. Telegram From the Secretary of State to the Embassy in the Soviet Union ¹*Washington, August 17, 1955—7:08 p.m.*

174. For Ambassador from Secretary. FYI Our talks with Chinese at Geneva are not going well. First agreed item was matter of repatriation of civilians.

Chou En-lai in his foreign policy speech of July 30 said, "It should be possible in forthcoming talks at Ambassadorial level to reach first of all reasonable settlement of question of return of civilians to respective countries. Number of American civilians in China is small and question can be easily settled."

Despite this statement ChiComs representative has so far refused admit right of Americans to return except subject to settlement of civil and criminal cases involving them. This, of course, we knew before going to Geneva. We on our side have agreed that every Chinese national in US who wants to return to Communist China is free to do so and ChiComs may designate Indian Embassy to facilitate such return, to transmit funds, etc. We have also agreed right of return and function of Indian Embassy should be widely advertised both by us and by Indian Embassy.

The eighth meeting of the Ambassadors will take place tomorrow August 18 and unless some progress can soon be made, talks may break down entirely. We are not prepared to go on to discuss other matters unless the agreed first item has been disposed of.

It is not our desire to request any intervention on behalf of Soviet Government, but if appropriate occasion arises you might let them know what state of affairs is. They might do something on their own initiative and responsibility.

Dulles

¹ Source: Department of State, Central Files, 611.93/8-1755. Secret; Priority. Drafted and signed by Dulles; cleared by Sebald. A telegram identical in substance was sent to New Delhi as telegram 383, August 17. (*Ibid.*)

27. Telegram From Ambassador U. Alexis Johnson to the Department of State ¹

Geneva, August 18, 1955—2 p.m.

520. Two hours and 20 minutes this morning repetition same themes both sides with no progress.

Wang presented proposal virtually identical with our August 16 draft agreement [*agreed*] announcement ² except for vital first paragraph which he proposed be amended read as follows:

"1. The People's Republic of China recognizes that American Nationals in the PRC who desire to return are entitled to do so and declares that it has adopted and will further adopt appropriate measures so that they can exercise their right to return." ³

His theme was this was "key which would open door" to solution problem Americans in China and again offered promptly give me names whose cases "review completed" making clear this grant release.

My theme was contrast action we had taken Chinese US. He was asking I open door without showing me what was behind it, that if he would show me what was behind it and if it met my request on release all Americans question timing could be worked out.

¹ Source: Department of State, Central Files, 611.93/8-1855. Confidential; Niact.

² See footnote 3, Document 24.

³ Johnson reported in telegram 540 from Geneva, August 18, that the other changes in Wang's draft were as follows: the insertion of the words "The USA agrees that" at the beginning of numbered paragraph 2, the omission of the word "official" from the phrase "encountering official obstruction" in paragraph 2(a), the use of "Office of the Chargé d'Affaires of the UK" throughout in place of "Embassy of the UK", the substitution of "PRC" throughout in place of "China mainland", and the revision of paragraph 2(a) to read, "If any Chinese national believes that contrary to declared policy of the US he is encountering obstruction in departure he may so inform the Indian Embassy and request it to make representations on his behalf with the US Government. If desired by the PRC the Indian Embassy may also make investigation on the facts." He also reported that Wang had read and handed him a copy of a statement intended to establish supplementary understandings, which Johnson summarized as follows:

"a. I had stated that nothing in agreed announcement in any way infringed on sovereignty or jurisdiction and that I presumed cases of Americans would be settled within framework Chinese judicial procedure. On basis Wang's understanding of these statements of mine he willing to omit sentence his original draft referring to persons involved in unfinished civil or criminal cases.

"b. If nationals either side reported to own government they being prevented from leaving, their government could refer such complaint to the third country for investigation or representation. If we would agree to understanding to this effect, Wang would be willing omit this provision from agreed announcement." (Department of State, Central Files, 611.93/8-1855)

Johnson transmitted the text of the first portion of the new Chinese draft in telegram 545 from Geneva, August 19, and the text of the supplementary statement in telegram 563 from Geneva, August 20. (*Ibid.*, 611.93/8-1955 and 611.93/8-2055, respectively)

He inflexibly resisted my persistent pressure give me any assurance or even indication that his solution would bring about release all Americans. Result was complete deadlock but no effort by him to precipitate any break or hint at recess. Next meeting Saturday, ⁴ 10 a.m.

[Johnson]

⁴ August 20.

28. Telegram From Ambassador U. Alexis Johnson to the Department of State ¹

Geneva, August 18, 1955—7 p.m.

537. 1. In addition my 520, ² at this morning's meeting many references by Wang to "pressure", "demands", "would never respond pressure" etc all of which I of course attempted counter. When on this theme he showed more feeling than on any other point.

2. However irrational, their position seems to be that if they release all Americans before or simultaneous with representation agreement it would publicly be interpreted as "yielding to pressure". They are willing announce release some Americans as purely unilateral act prior to public announcement representation arrangement but must first have firm commitment. They will then subsequently announce further release Americans but will not commit themselves to all as this would be "interference with their sovereignty, legal processes" etc. etc.

3. I went as far as I felt I could under my present instructions to meet whatever substance this may have in their minds by stating that if their solution encompassed release all Americans and it was only question timing in relation announcement representation arrangement this could be worked out. However, Wang showed no interest. He also showed no interest in my amendment para one by insertion phrase "as result official action taken in accordance with its governmental processes".

4. His replies to my references Chou's statement were weak and beside the point. He avoided direct reply to my reminder that he had

¹ Source: Department of State, Central Files, 611.93/8-1855. Secret; Priority; Limit Distribution.

² *Supra*.

promised me last year "review" cases and that in interim only five civilians out of thirty had been released from prison.

5. Deadlock is now very tight and little scope for further discussion until there is some shift in position one side or other.

6. Subject to Dept's suggestions or instructions believe I can do little at next meeting but reiterate our positions as necessary and pick up remaining questions on representation arrangement which is subject separate tel.³

(I deliberately avoided details representation arrangement today in order concentrate on and highlight fundamental issue.)

7. Would appreciate Dept's instructions on whether if negotiating situation permits it would approve my attempting explore possibility release some now with commitment release remainder within definite time limit, say three months. Even if it could be obtained ChiComs would in all probability not be willing make such commitment public.

[Johnson]

³ Reference is apparently to Johnson's telegram 540 from Geneva, August 18. See footnote 3, *supra*.

29. Telegram From the Chargé in the Republic of China (Cochran) to the Department of State¹

Taipei, August 18, 1955—8 p.m.

143. Foreign Minister called me to his office late yesterday to discuss GRC reserve program and to "warn" me situation likely result in "considerable unpleasantness". This is strong language and appears properly to indicate intensity of Chinese feeling. He was referring to nine reserve division plan concurred in by MAAG last March and further agreed to at April meeting at representative of CINCPAC and Ministry National Defense level. US position as determined by JCS presented to Yu Ta-wei by MAAG last week, and he and all MND much disturbed.

Foreign Minister stated President and Yu greatly embarrassed at US reply, which they feel completely discards agreement previously reached. Pointed to terms document signed March by Colonel Nolan,

¹ Source: Department of State, Central Files, 793.5-MSP/8-1855. Secret. Passed to CINCPAC for information at the Embassy's request.

G-5 of MAAG, and to part Chase's letter to Yu dated March 22 ² approving this outline plan and recommending that it be "developed in full detail without delay". Chinese apparently interpreted "develop" to mean implement, for decisions made and actions taken, reversal of which would be most difficult and most embarrassing. Foreign Minister admitted he not familiar all details, but averred Ambassador Rankin was, and asked matter be discussed with and by him in Washington.

I pointed out "agreement" of March and April was ad referendum and subject approval on CINCPAC and JCS level. (In fact, now find letter Ambassador to Yeh dated April 20 specifically so states.) However, Yeh felt approval by Chase, serious, responsible and high ranking officer, committed US to nine division plan. Radford's approval also being cited.

Have discussed situation with Pride, to whom Ta-wei appealed. Former says Gimo and Yu have actually named division commanders and staff for proposed nine divisions, and crux of problem is this fact. Cannot now cancel designations and not know what else do with these senior officers.

As I understand it, nine division reserve evolved as means of effecting activation [*deactivation*] non-supported units and recaptured diverted MDA equipment, providing places more personnel of former. As I also understand it, CINCPAC and JCS opposition to nine division plan based on following logic: If US agrees nine division reserve Chinese will continue demand three division combat equipment and eventually hardware for nine divisions; therefore let us not call them divisions. If true, difficulty is one of semantics, but quite upsetting to Chinese, who unwilling call them "groups" or something else. Fear that unless we can find some way out of this dilemma, Chinese will refuse fulfill their part bargain, requiring activation non-supported units and transfer MDAP equipment from them to supported forces [*sic*].

If difference is simply over what reserve units shall be called, feel we have made our point quite clear, and that Chinese now fully understand we will not provide equipment nine divisions or three divisions or even one full combat division. Foreign Minister himself said that in returning from San Francisco Conference recently, he stopped off in Honolulu under Gimo's instructions and there gathered from CINCPAC that nine division reserve would be approved, with US to furnish training (as distinct from combat) "equipment" for one division.

² Neither these documents nor any of the other documents referred to have been found.

Seems to me there are two possible ways out of present situation. One is: Having made our point—regarding tailored equipment for one division reserve training unit clear, we could concede to Chinese dismay and say in effect "If that is clearly understood we interpose no further objection to your calling the nine reserve groups divisions, although it is obvious they will not be divisions worthy of the name, with only one month's training per year". Alternatively, perhaps some other organizational solution could be devised by Chinese or American military authorities. In either event, feel we must grant some validity to magic nature of figure total of thirty divisions (21 plus 9) in Chinese eyes, since this is (a) number US supported on mainland and (b) number we allegedly support in Korea.

As Chase foresaw in his letter to CINCPAC June 8, protesting the decision, refusal support nine division reserve as "agreed to" in March and April has considerably disturbed Chinese military authorities, Ministers Yu and Yeh, and President.

General Smythe of MAAG having read foregoing in draft comments that Chinese devoting all their resistance to this first and easiest to implement of seven points made by JCS, ignoring other six. He feels we should stick to our position until Chinese accept and implement other six major points. Then we can concede on terminology if and when necessary.

Cochran

30. Telegram From the Secretary of State to Ambassador U. Alexis Johnson, at Geneva ¹

Washington, August 19, 1955—11:46 a.m.

569. Your 520 and 537. ² We do not yet have full text proposal referred to your 520. Superficially paragraph 1 seems to represent some advance. Indeed if word "immediately" were inserted before "further adopt" and if word "promptly" were inserted before "exercise" we would believe it might be acceptable. We would however want it clearly understood that "promptly" meant that a beginning would be made at once and completion effected within some such period as two or three months and that unless this in fact developed we would not consider they were acting in good faith and that further talks might then be broken off. However this understanding need not be made public unless it were breached.

As talks have developed it seems to us that Chinese Communists are frustrating agreed first purpose of resumed ambassadorial level talks. That agreed first purpose was "to aid in settling the matter of repatriation of civilians who desire to return to their respective countries". Also we again recall Chou En-lai's statement that purpose forthcoming talks at ambassadorial level was "first of all" to reach a reasonable settlement of this matter.

As we read your cables, Wang's proposal would leave situation in precisely same unsettled state it was when new negotiations were agreed to. It seems to us that until Wang is prepared agree that Americans in China who want to return can promptly do so, we have no alternative but to stand pat constantly repeating that the agreed first purpose of talks is to "settle" these cases and what settlement does he propose.

Dulles

¹ Source: Department of State, Central Files, 611.93/8-1855. Secret; Niact. Drafted by Dulles; cleared by McConaughy; and approved for transmission by Sebald. McConaughy's letter No. 6 to Johnson, August 19, commented on this telegram as follows:

"The Secretary's telegram 569 of last night gives you as much negotiating leeway as is possible under present circumstances without compromising the essential principle. This telegram gives the Chinese Communists an easy way out if they are willing to take it, for it means in effect that we would accept their promise as to Americans who would not be released immediately and the understanding on the remaining Americans would not have to be publicized at present. This is going a pretty long way. If we went any further to meet their demands, we would not even have a Communist promise in exchange for U.S. performance. We would indeed be 'buying a pig in a poke.'" (*Ibid.*, Geneva Talks Files: Lot 72 D 415, Geneva—Correspondence Re US-PRC, 1955-1956)

² Documents 27 and 28.

31. Memorandum From the Assistant Secretary of State for Policy Planning (Bowie) to the Secretary of State ¹

Washington, August 19, 1955.

RE

Military Activity in the Formosa Straits

You may be interested in the attached report prepared by CIA ² which tabulates ground, naval and air activity by the ChiNats and ChiComs in the Formosa Straits during July and August.

From this report, two points seem to me to stand out:

1. The ChiNats have continued various forms of activity. They have (a) made or attempted a number of raids on the mainland, (b) maintained sporadic artillery fire in the vicinity of Amoy, (c) continued to harass shipping in the straits and harbors, and (d) engaged in extensive overflights.

2. The ChiComs have initiated little action, especially since July 20. On July 14 they fired 21 rounds; and on July 20, fired 244 rounds to which the ChiNats responded with 521; otherwise they seem to have refrained even from responding to ChiNat fire. They have, of course, sought to interfere with the overflights. And they have sent over a few "frogmen", mainly by ones and twos.

According to Amory, all the ChiNat raids were made without the approval of Admiral Stump's command and, in particular, of the MAAG commander on the spot.

RRB

¹ Source: Department of State, S/P Files: Lot 66 D 70, China. Secret. A notation on the source text in Phyllis Bernau's handwriting indicates that it was seen by the Secretary.

² The report under reference, headed "Clashes Between Chinese Nationalists and Chinese Communists, 1 July-18 August, 1955," unsigned and undated, bearing a notation by Phyllis Bernau that it was seen by the Secretary, is not attached to the source text but is filed with a copy of a covering memorandum of August 18 from Robert Amory to the Director of Central Intelligence. The report's introduction notes that it is based solely on daily reports from the Formosa Liaison Center. Amory's memorandum states that Admiral Stump had categorically asserted that the recent raids were not coordinated with any echelon of his command. Major General John C. Macdonald, former Deputy Chief, MAAG Formosa, had also stated emphatically that the raids were unilateral efforts by the Chinese Nationalists but had cautioned that Nationalist reports of the raids might be exaggerated. Referring to the President's authorization on January 13 of the continuation of "small-scale" raids by the Nationalists for intelligence purposes, Amory stated that he had considered that this meant at most a squad of 8 or 9 men and by no means as many as 50 men, as was the case with a recent Nationalist raid. He questioned "whether present efforts to secure a de facto cease fire are not apt to be disturbed by Mainland raids of any size to an extent that outweighs their marginal intelligence value". (*Ibid.*) For the President's January 13 authorization, see vol. II, Document 9.

32. Telegram From Ambassador U. Alexis Johnson to the Department of State ¹*Geneva, August 20, 1955—1 p.m.*

560. One hour and half meeting this morning again with no visible progress. I opened with statement to effect our agreed purpose was settle matter return civilians, I had told him exactly what we had done with respect Chinese and were prepared to do representation, was still waiting know settlement his government proposed make Americans. When this information available could readily agree exact language public announcement but futile further discussion form words until both clear as to substance of what we are announcing. He replied reiterating previous positions but during course give and take I asked him series questions to which his replies made clear all cases being "reviewed", "completion review" means persons can promptly depart for US, review all cases not "completed", "he could not forecast time required complete remaining cases" which was dependent on "nature case, conduct individual, improvement relations between two countries". Talks were one indication improvement and agreement on putting third party representation into operation would be additional improvement. All this would "make settlement of cases easier than in the past".

Had made their "best effort". All argument that he would reciprocate frankness with which I had made detailed explanation action taken respect Chinese in US was evaded or brushed aside. My efforts this regard were "infringement of sovereignty and interference their juridical processes which they could never accept".

I deliberately avoided any discussions details representation arrangement in order keep discussion focused on central issue. For same reason I also avoided answering familiar allegations treatment Chinese in US and their treatment Americans China. ²

¹ Source: Department of State, Central Files, 611.93/8-2055. Confidential; Niact.

² Johnson commented on the meeting in telegram 564 from Geneva, August 20, which reads in part as follows:

"I did not at today's meeting introduce textual changes mentioned first para Secretary's tel 569 [Document 30] nor those mentioned para one Deptel 582 as it was very clear that question is not verbal formula but factual situation and no concession on words was going to move him to any substantive concession on Americans. Wang will probably agree almost any verbal formula for para one but will insist on understanding that agreement does not infringe on ChiCom sovereignty and jurisdiction which he will interpret to mean that 'unfinished civil and criminal cases' will be settled in own way and own time." (Department of State, Central Files, 611.93/8-2055)

Telegram 582 to Geneva, August 19, authorized Johnson to accept the textual changes and the rewording of paragraph 2(a) which Wang proposed the previous day in order to facilitate Chinese acceptance of a satisfactory version of the first paragraph. (*Ibid.*, 611.93/8-1855)

Next meeting Tuesday, ³ 10 a.m.

[Johnson]

³ August 23.

33. **Telegram From the Ambassador in the Soviet Union
(Bohlen) to the Department of State ¹**

Moscow, August 20, 1955—7 p.m.

435. For the Secretary. I had occasion in conversation with Malenkov at Yugoslav reception yesterday to make point set forth in your telegram 174. ² Malenkov was speaking in general "spirit of Geneva" and mentioned that Soviets were very glad to see that contact on Ambassadorial level had been established with CPR. I told him that this was all very well but that talks were not going at all well due refusal of Chinese to consider release of imprisoned Americans. I added that there were no obstacles in way of any Chinese in United States who wished to return to China and that United States had even agreed to Chinese proposal that India could act in United States to assist those who wished to return. I told Malenkov that they should understand that although to Chinese possibly a relatively limited number of Americans might not seem a major point, to the people and government of the United States questions of this kind dealing with individual human beings were of major importance. I did not pursue the matter beyond this point in the light of your telegram under reference.

Malenkov made some general reference to the "sensibilities" of Communist China which felt that its "rights" as a great power had been ignored but added that he personally could comprehend the importance the United States attached to this question of Americans detained in China. In reply to my statement that the Far East in my personal opinion contained elements of greater danger than other parts of world he expressed agreement. I told him that in my view one of these reasons was that the Chinese were in a different stage of their revolution than the Soviet Union which might incline them to more risky action. Malenkov smiled and said this might be a factor in the situation. I have no way of knowing whether this information will be in any way acted on by the Soviet government but I

¹ Source: Department of State, Central Files, 611.93/8-2055. Confidential; Priority.

² Document 26.

am reasonably convinced that Malenkov appreciated the importance that we attach to the Americans imprisoned in China.

Bohlen

34. Telegram From the Secretary of State to Ambassador U. Alexis Johnson, at Geneva ¹

Washington, August 21, 1955—9:23 p.m.

599. Re Deptel 598. ² Following is text of draft "Agreed Announcement".

Begin text.

"The Ambassadors of the USA and the PRC have agreed to announce the measures which their respective Governments have adopted with respect to repatriation of civilians who desire to return to their respective countries.

"With respect to Chinese residing in the United States, Ambassador Johnson, on behalf of the US Government, has informed Ambassador Wang that: (1) The US recognizes that Chinese in the USA who desire to return to the PRC are now entitled to do so and declares that it has adopted measures so that they may in fact promptly return. (2) The US will authorize the Government of the Republic of India to assist return to the PRC of those Chinese who desire to do so as follows: (a) If any Chinese in the USA believes that contrary to the declared policy of the USA he is encountering obstruction in departure he may so inform the Indian Embassy in the USA and request it to make representations on his behalf to the US Government. If desired by the PRC the Indian Government may also make investigation of the facts in any such case. (b) If a Chinese in the US who desires to return to the PRC has difficulty in paying his return expenses, the Indian Government may render him financial assistance needed to permit his return. (3) The Government of the US will give

¹ Source: Department of State, Central Files, 611.93/8-2155. Secret; Priority. Drafted and approved by Dulles; cleared with Sebald.

² Telegram 598 to Geneva, August 21, informed Johnson that the Department was transmitting a new revised draft agreed announcement with a view to its introduction at the August 23 meeting and requested Johnson's concurrence or comments. It noted that the U.S. and PRC sections on repatriation were not exactly parallel, stated that the Department felt the announcement should state the U.S. position accurately, and commented that the deviation from parallel language seemed unavoidable unless the PRC would match the U.S. statement. It stated that the Department desired no "private agreements which add to or subtract from 'agreed announcement' or which provide anything other than reasonable interpretation of it" and saw no justification for an understanding on the jurisdiction question. Johnson was instructed, however, to insist on an understanding containing a "reasonable interpretation" of the word "promptly", as telegram 569 (Document 30) had instructed him. (Department of State, Central Files, 611.93/8-2055)

wide publicity in the USA to the foregoing arrangements and the Government of India may also do so.

"With respect to Americans residing in the PRC, Ambassador Wang on behalf of the PRC has informed Ambassador Johnson that: (1) The PRC recognizes that Americans in the PRC who desire to return to the USA are entitled to do so and declares that it has adopted and will further adopt appropriate measures so that they can promptly exercise their right to return. (2) The PRC will authorize the Government of the UK to assist in the return to the US of those Americans who desire to do so as follows: (a) If any American in the PRC believes that contrary to the declared policy of the PRC he is encountering obstruction in departure he may so inform the Office of the Chargé d'Affaires of the UK in the PRC and request it to make representations on his behalf to the Government of the PRC. If desired by the US, the Government of the UK may also make investigation of the facts in any such case. (b) If an American in the PRC who desires to return to the US has difficulty in paying his return expenses, the Government of the UK may render him financial assistance needed to permit his return. (3) The Government of the PRC will give wide publicity in the PRC to the foregoing arrangements."

End text.

Dulles

35. Telegram From the Secretary of State to Ambassador U. Alexis Johnson, at Geneva ¹

Washington, August 22, 1955—3:52 p.m.

602. Your 571. ²

1. (a) Word "nationals" has purposely been dropped minimize possible Chinese claim that we recognize in public document jurisdiction of PRC over Chinese in USA. Not recognizing PRC as legal

¹ Source: Department of State, Central Files, 611.93/8-2255. Secret; Niact. Drafted by McConaughy, Phleger, and Sebald; approved in draft by the Secretary and approved for transmission by Sebald.

² Johnson commented on the new proposed U.S. draft in telegram 571 from Geneva, August 22, which reads in part as follows:

"Believe it will not be possible avoid question 'jurisdiction'. As I have previously said they obviously concerned we are attempting in some way reestablish extraterritorial principle for Americans in PRC. . . . My thought would be simply set forth in 'understanding' that 'nothing in agreed announcement is intended raise any question of sovereignty, or jurisdiction over nationals of one country in territory of other and that it is assumed that measures referred to in numbered paragraph 1 of statement by Ambassador Wang contained in 'agreed announcement' and measures referred to in paragraph 1 of statement by Ambassador Johnson in 'agreed announcement' are taken within the framework of the laws and legal procedures of their respective countries.'" (*Ibid.*)

government China we are unable agree that Chinese in USA are its "nationals".

(b) No objection adding phrase "and the Government UK may also do so". We purposely omitted phrase because we unable see that it would have any utility and we did not want to seem to think that it had.

2. Deptel 599.³ Delete word "residing" in first sentences in second and third paragraphs because "residence" has technical meaning not applicable to many Americans and Chinese within scope of arrangements.

3. After full consideration we believe that basic text our 599 is sound and should be pressed vigorously with oral understanding with Wang that word "promptly" is defined as indicated Secretary's 569,⁴ paragraph 1. We would not be willing proceed to item 2 of agenda until all Americans actually released or acceptable time limit agreed upon.

4. If it should prove utterly impossible get Wang's agreement to foregoing without an "understanding", you are authorized indicate you would consider ad referendum an oral "understanding" which would cover both Wang's jurisdiction point and definition word "promptly". If we agreed to "understanding" it could not be private. It would have to be announced simultaneously with agreement. Text this "understanding" telegraphed separately.⁵

Dulles

³ *Supra*.

⁴ Document 30.

⁵ The text, transmitted to Johnson in telegram 603 to Geneva, August 22, reads as follows:

"Nothing in agreed announcements is intended involve any question of sovereignty or jurisdiction and it is assumed that measures referred to in the announcements are taken within framework of laws and legal procedures of their respective countries. It is understood that the PRC has completed the review of some unfinished civil and criminal cases involving Americans and that these Americans will be able promptly to depart for the U.S. It is understood that the review of all remaining civil and criminal cases involving Americans will be completed within (blank) weeks and that they will thereupon be able to depart for the U.S." (Department of State, Central Files, 611.93/8-2255)

36. Telegram From the Secretary of State to the Embassy in Burma ¹

Washington, August 22, 1955—7:13 p.m.

150. For Ambassador from Secretary. Pass following personal message from Secretary to Prime Minister.

"I appreciate your message through your Ambassador here. ² We are indeed at somewhat of a deadlock. It was agreed that the first subject to be dealt with would be the repatriation of civilians and we had expected quickly to resolve this, since Chou En-lai in his July 30 speech said 'it should be possible in the forthcoming talks at the Ambassadorial level to reach, first of all, a reasonable settlement of the question of the return of civilians to their respective countries. The number of American civilians in China is small and the question can easily be settled.' However, the Chinese Ambassador now insists that these Americans are involved in civil or criminal cases and that the best he can do is to say that these cases will be reviewed and the results subsequently announced. This is not to us an acceptable settlement of the agreed first item. However, I do not want to call upon you for the help you so kindly offer lest the Chinese should feel that we are attempting to exert pressure upon them. I feel therefore it may be better to let matters continue, even at some risk of the negotiations breaking, rather than for me to be in the position of seeming to go behind the back of the negotiators at Geneva.

"Again thanking you for your kind offer of good offices, I am,
"Sincerely yours, Foster Dulles".

Dulles

¹ Source: Department of State, Central Files, 611.95A251/8-2255. Secret. Drafted by Dulles; cleared in draft by Phleger; and approved for transmission by Sebald.

² The message from Prime Minister U Nu to Secretary Dulles, dated August 22 and delivered on the same day by Ambassador Barrington, stated that he had read in the papers that the talks in Geneva had reached a deadlock and offered his assistance in finding a solution. (*Ibid.*, Presidential Correspondence: Lot 66 D 204, Dulles-U Nu Correspondence) Dulles' meeting with Barrington is recorded in a memorandum of conversation by Sebald, August 22. (*Ibid.*, Central Files, 611.93/8-2255)

37. Telegram From Ambassador U. Alexis Johnson to the Department of State ¹

Geneva, August 23, 1955—9 a.m.

585. 1. Had Wang to dinner last night ² with Ekvall ³ and Wang's interpreter. Talked from 7:30 until midnight using every device of carrot and stick of which I was capable but made no visible progress.

2. I had not intended enter into detailed discussion negotiations but he took initiative, restating his position and trying to impress on me number Americans that would immediately be released "was very considerable" and number remaining "would not be large". He was obviously trying very hard to reassure me "everything was going be all right" and that release remainder would not take long without saying anything I could seize upon as commitment. (His instructions are clearly very rigid on this.) In response my pressing him through-out evening on definite time he continued return to an involved and tortuous explanation ⁴ which I found it entirely impossible to pin down to a definite time period.

However the purport seemed to be that time would be less than year, as would be "doubly easy and doubly quick" over situation

¹ Source: Department of State, Central Files, 611.93/8-2355. Secret; Priority; Very Limited Distribution.

² Johnson proposed in telegram 538 from Geneva, August 18, sent eyes only for the Secretary, that he invite Wang to a private dinner with only interpreters present, commenting that he thought in such an atmosphere he could "reinforce firmness our stand and at same time put across thoughts contained urtel 526". He added, "He is obviously at end his instructions and I have feeling gesture such as this at this time might help in moving Chou." (*Ibid.*, 611.93/8-1855) Regarding telegram 526, see footnote 6, Document 24.

Telegram 571 to Geneva, August 19, drafted by Dulles, instructed Johnson: "Follow your judgment but always bear in mind caution against what could be built up into promises which might come back to plague you." (Department of State, Central Files, 123-Johnson, U. Alexis)

³ Lieutenant Colonel Robert B. Ekvall, U.S. Army, Johnson's interpreter. For his recollections of the Geneva Ambassadorial talks, see Robert B. Ekvall, *Faithful Echo* (New York: Twayne Publishers, 1960).

⁴ Johnson expanded on this in letter No. 5, August 24, to McConaughy:

"Ekvall and I reconstructed it [the "involved and tortuous explanation"] immediately upon our return as follows: 'There is no comparison to be made of the advantages which those who are left will have over those who have been released during the past one year. For there are three favoring factors which will make it clearly quickly and easily for them to be released. The three factors are (a) favorable effect release of the others will have on the people still there; (b) circumstances of the case itself; and (c) state of our relations.'

"I prodded and poked at this from every conceivable angle and was just unable to obtain any further explanation. His conversation otherwise was very rational and sensible and the only explanation I have is that he had been rigidly instructed to say absolutely nothing more on this subject. The phrasing, to my mind, very much carries the marks of Chou." (Department of State, Geneva Talks Files: Lot 72 D 415, Geneva—Correspondence Re US-PRC, 1955-56)

during past year. However, ominous note of "state of relations" as one factor in timing continued reappear. I returned again and again to necessity specific promise on time, even private if they desired (Deptel 602⁵ was not received until after I had returned) but he flatly refused. "Absolutely would not be forced into and could not state any exact time."

3. While touching in varying degree on most of arguments I have used in previous meetings I hammered hard on theme that they were entirely misreading American public opinion if they expected slow piecemeal releases to "improve relations". Any release involves telling of stories by former prisoners and produced very adverse public opinion reactions. This had to be expected. Best course in their self-interest was carry out immediate release of all. Wang countered we had previously made flyers major factor, they would not release even response UN SecGen, but released unilaterally interest good atmosphere and demonstration good faith these talks. "Did not hold them as bargaining counters and did not intend hold any others as bargaining counters." They knew Col. Arnold very "antagonistic" but this did not prevent his being included release. Intimation was they very disappointed not only at public reaction to release but that after flyers had been removed as subject these talks we had now raised ante in demanding release all others immediately or in specified time. I countered by returning to theme public reaction to be expected, noted press attention flyers now declining and cited as proof value getting remaining cases completed quickly as possible. Believe this line may have made some impression.

4. I carefully outlined successive concessions we had made to obtain agreement and repeatedly stressed "we could go no further". "We did not even have a definite promise, much less performance we expected, particularly in light Chou's statements". I also made it clear could not proceed anything else until item one settled. (He has never suggested we do so but of course their idea of settlement and ours are still very different.) Also in context importance their meeting our position on item one said it was important agreement be reached as if we failed probably would be long time until contact such as this could be resumed. He put his own emphasis on latter theme.

4[sic]. He gave me good opportunity to make clear no possibility even considering American visitors until all Americans now detained released by bringing up their desire for visitors including Americans and mentioning proposal for exchange "Chinese Opera" and Porgy and Bess companies. (This regard said they were not "boxers" desiring expel foreigners.)

⁵ Document 35.

5. During first part of evening he made apparently very purposeful lead up to but did not pursue idea American aid their economic development "which would require at least to end of century". Much of this was familiar Chou line with foreign visitors. However there was no reference whatever to USSR, frank admission much difficulty and special reference to "peasant conservatism", China wants no war with US, traditionally friendly, nostalgic reminiscences of friendship during World War II etc.

6. I spoke very frankly on particularly ChiCom treatment US Consular and Diplomatic personnel at time ChiCom takeover and also on lack justification ChiCom intervention Korea and our unparalleled restraint there. His defense treatment Consular and Diplomatic personnel perfunctory and almost admission had been mistake. He showed little inclination defend Korean intervention or to retreat behind "volunteers".

7. Subjects Formosa, Seventh Fleet, trade etc. not mentioned any way.

8. We agreed meet as scheduled this morning at which time I will introduce our counterproposal accordance Deptel 571 [602] and previous for which I prepared ground last night. However view last night's talk will keep discussion to minimum necessary. ⁶

[Johnson]

⁶ Johnson reported "additional minor sidelights" on the dinner with Wang in telegram 589 from Geneva, August 23, as follows:

"Particularly inquired about Bedell Smith's health and later made point of saying 'better relations began' when Smith spoke to Chou in buffet at last year's Geneva Conference expressing hope relations might improve.

"Gave usual line on Civil War events but with noticeable restraint in treatment Kuomintang and Chiang Kai-shek.

"Were thankful and appreciative American aid to China during World War II even though none received by Communists as it constituted contribution national strength in fight against Japan.

"In reply my raising Communist bloc characteristics of supersecrecy and hypersensitivity to criticism as major barriers to fruitful interchange persons and ideas which he had been urging, he did not contest but implied improvement this regard under way. He was very quick reject any implication Chinese Communists identification with satellites when I cited personal experience in Czechoslovakia.

"Rejected my suggestion China lacked natural resources, only problem was extraction.

"Noted full texts Secretary's and President's statements and speeches on Far East published in Chinese Communist press." (Department of State, Central Files, 611.93/8-2355)

38. Telegram From Ambassador U. Alexis Johnson to the Department of State ¹

Geneva, August 23, 1955—11 a.m.

586. At 10th meeting this morning lasting 25 minutes I presented text contained Deptel 599. ²

Presenting draft I noted that contained most language Wang's August 18th draft, ³ called attention to use of "Government of India", difference in wording between paragraphs one of two sections made necessary by difference in situation and their failure meet our position, and particularly pointed out that word "promptly" in first paragraph Chinese declaration. Said must be firm definition this word, need not be written into announcement but could be in form oral understanding. Did not want to labor ground we had previously covered but wanted to make it perfectly clear without any possibility misunderstanding US Government cannot accept any arrangement under which it would be possible for release any Americans be indefinitely delayed. Must know all will be able leave within reasonable time. Requested he inform his government that US considers this vital. This draft went as far as I thought we could go in meeting his point of view.

Wang stated desired reserve comment my draft until next meeting but offhand did not see reason for difference of wording of two paragraphs one. Then repeated in summary form previous statements that "could not possibly accept time limit as this would amount to submitting to coercion." Also repeated number immediately to be released "not small" and cases remaining could be considered "favorably, quickly and easily because of factors of attitude prisoners, fact of our agreement and improvement in relations".

I made no detailed reply but expressed hope he would send draft to his government for most careful study as was very important.

Wang suggested and I accepted next meeting Thursday, 10 am.

[Johnson]

¹ Source: Department of State, Central Files, 611.93/8-2355. Confidential; Niact.

² Document 34. Johnson reported in telegram 594 from Geneva, August 23, which conveyed his comments on the meeting, that the text given Wang had differed from that sent to him in telegram 599 only as follows:

"(a) Phrase 'and the Government UK may also do so' restored in order avoid wording Wang could object to as 'unequal'.

"(b) Word 'residing' deleted accordance Deptel 602.

"(c) Full names of Ambassadors given in paragraph 2.

"(d) Phrase 'make investigation of' in paragraph 2 (a) both sections changed to 'investigate'." (Department of State, Central Files, 611.93/8-2355)

For telegram 602, see Document 35.

³ See Document 27.

39. Telegram From the Secretary of State to Ambassador U. Alexis Johnson, at Geneva ¹

Washington, August 24, 1955—2:38 p.m.

622. Your 586 and 594. ²

1. Department unable authorize any private understanding with Chinese Communists which would involve any US commitment or concession to them. Hence any private statement implying US acknowledgment of scope or validity their judicial processes would be unacceptable. However, private oral commitment by Chinese Communists as to the maximum period meant by word "promptly" in Chinese portion draft agreed announcement would be acceptable and need not be made public unless breached.

2. We believe you should press Wang insistently for immediate release Americans whose cases they admit have already been reviewed favorably. We do not see that failure to date to reach agreement on proposed announcement should impede release Americans whose cases already favorably reviewed. You may give Wang emphatic reminder that no Chinese being held this country pending issuance agreed announcement. They are free to leave now. Reciprocity by Chinese expected. You might point out that continued detention Americans whose cases completed is directly contrary Chinese Communist contention that all cases disposed within framework their laws and juridical procedures. Denial departure right to Americans whose cases completed constitutes admission they being held as hostages for political advantage. This is irreconcilable with basic tenet which Wang has maintained.

3. You are given authority requested paragraph 6 your 594 to agree in your discretion bring language paragraph 1 US portion into conformity with language paragraph 1 Chinese portion. It would be understood that "further appropriate measures" on US side would refer only to acceptance limited third party representation arrangement.

¹ Source: Department of State, Central Files, 611.93/8-2355. Secret; Niact. Drafted by McConaughy, cleared by Phleger, and signed by Dulles.

² See telegram 586, *supra* and footnote 2 thereto. Johnson commented in telegram 594 that he assumed that an "oral understanding" along the lines of paragraph 3 of the Department's telegram 602 (Document 35) would be acceptable. Noting that Wang showed no sign of willingness to retreat from his position that stating a time limit for the release of all Americans would amount to a submission to coercion, he commented:

"If no progress is made in next meeting or two we will face very serious decision. Wang's most recent statements suggest strongly that more than half of detained Americans might be released immediately upon our reaching agreement. Fairly early action can probably be expected on a number of others. How long are we justified in delaying and possibly even jeopardizing release of these persons in effort to obtain commitment for release of all within definite time?"

4. The policy questions raised in paragraph 5 your 594³ and in your 599⁴ will be dealt with later message.⁵

Dulles

³ Quoted in footnote 2 above.

⁴ Johnson suggested in telegram 599 from Geneva, August 24, a "possible way out of present impasse": to inform Wang that on the basis of his assurances that the remaining cases would be settled "expeditiously", the United States was willing to enter into the representation arrangement with the understanding that the cases would be settled within 2 or 3 months, reserving full freedom to reconsider the continuation of the representation arrangement if they were not settled within that time. (Department of State, Central Files, 611.93/8-2455)

⁵ Apparently not sent.

40. Telegram From Ambassador U. Alexis Johnson to the Department of State¹

Geneva, August 25, 1955—2 p.m.

616. Two hour five minute meeting this morning. No progress.

Wang presented re-draft of "agreed announcement" very close our August 23 text² except for substitution "and declares that it has adopted and will further adopt measures so that they can in fact return as soon as possible" for latter portion US section our August 23 draft and substitution "and declares that it has adopted and will further adopt appropriate measures so that they can exercise as soon as possible their right to return" for latter portion PRC section our August 23 draft.

(Full text showing other apparently minor changes by separate tel.)³

¹ Source: Department of State, Central Files, 611.93/8-2555. Confidential; Niact.

² See Document 34 and footnote 2, Document 38.

³ Johnson transmitted the text of the new Chinese draft in telegram 617 from Geneva, August 25. It was headed "Agreed Announcement of the Ambassadors of the PRC and the USA". The introductory sentence stated that the two Ambassadors had "agreed to announce the measures which their respective governments have adopted with respect to the return of nationals of each located in the country of the other." Paragraph 2 in the Chinese section reads as follows:

"(2) The PRC agrees that the Government of the UK will be entrusted to assist in the return to the USA of those Americans who desire to do so as follows:

"a. If any American believes that contrary to the declared policy of the PRC he is encountering obstruction in departure he may so inform the office of the Chargé d'Affaires of the UK in the PRC and request it to make representations on his behalf to the Government of the PRC. If desired by the USA the Government of the UK may also investigate the facts;

I said his amendment para one US section not necessary as we had already taken all necessary measures but focused attention on substitution "as soon as possible" for "promptly" in para one PRC section.

In fact virtually all of meeting centered around my continued effort obtain definite statement on definite period of time during which remaining Americans would be released and Wang repeating this "could never be done", "impossible" and repeating virtually verbatim his previous line this regard.

During course much give and take I took line contained para two Deptel 622 ⁴ and after he had in reply clearly related release of flyers to decision hold these meetings, release Americans whose cases review completed to our agreement to "agreed announcement" and again gave "state of relations" as one factor in timing release remainder, I very bluntly stated I had not and would not trade the fate of Americans detained by them for political concessions or agreements they desired obtain. Said it seemed clear to me what he was saying was that release remaining Americans would be dependent upon whether in future I willing to agree further agreements desired by them. This I would not do. I was prepared deal with each problem that we discussed on its own merits, we had taken action respect Chinese US without condition and without attempting extract political concessions from them in return.

I had first hoped and expected they would promptly release all Americans thus paralleling action taken by US with respect Chinese, we could thereupon quickly agree on announcement of what each country had done and announce agreement on representation. I had then attempted obtain his agreement that release Americans would be simultaneous with announcement and had now gone to position that only some Americans would be released at time of announcement (even though I had previously made clear was no justification withholding their release for this reason) and only asked that he give me definite time limit in which remainder would be released. "I do not see how it is possible for me to go any further."

I also argued at some length that agreement on words in announcement without clear and common understanding exact meaning would not contribute to "improvement of relations" in future but could only lead to misunderstanding. If "as soon as possible", "promptly" or whatever word was agreed upon meant to them a period of for example a year "that was one thing" but if it meant

"b. If any American in the PRC who desires to return to the USA has difficulty in paying his return expenses, the Government of the UK may, on behalf of the Government of the USA, render him financial assistance needed to permit his return." (Department of State, Central Files, 611.93/8-2555)

⁴ *Supra*.

period of "two or in any event not more than three months that was something else". Said whatever word or phrase this respect was used American people would expect very prompt action on release remainder and if this did not eventuate "state of relations" could not but deteriorate. From our discussion thus far very clear PRC concept of "as soon as possible", "quickly", "promptly" very different from ours. Could not reach any agreement on words until we were clear what we were talking about.

Wang did not contest my statement release remainder would be conditional on political factors. Now quite clear "political hostage" aspect does not shock them. On contrary they are clearly proceeding on premise that release of Americans is political act of grace and therefore directly related to other political factors in relations between two countries. This position more frankly and clearly stated today than ever before. It was almost complete retreat from "legalities and juridical procedures".

Next meeting Saturday, ⁵ 10 am.

[Johnson]

⁵ August 27.

41. **Telegram From Ambassador U. Alexis Johnson to the Department of State ¹**

Geneva, August 25, 1955—6 p.m.

623. My summary tel 616 ² on today's meeting may not have made it as clear as I might have that Wang and I both came much closer than any time previously to taking "final positions" from which we could not retreat and logical results of which could only be willingness lead up to point of break. I repeatedly used terms "vital", "essential", "far as we can go", et cetera but avoided going to next and logical point of saying unless he met my position on this nothing further talk about. He spoke with some emotion and probably even greater finality than I, but also avoided going next step.

At today's meeting thinking underlying ChiCom position clearly emerged as follows: US proposed these talks thereby "improving relations" and enabling ChiComs release flyers. This was expected further "improve relations" leading to response by US of agreeing third

¹ Source: Department of State, Central Files, 611.93/8-2555. Secret; Priority.

² *Supra*.

party arrangement which in turn would enable ChiComs release further Americans. If talks continued go well and "relations continued improve" all remaining Americans could be released. They reconcile this with Chou's statement on grounds expectation "progress" would be made these talks. They do not attach much real importance what we have done re Chinese in US, nor have they ever attempted directly link future rate departure Chinese in US with departure Americans. Their raising issue Chinese in US is largely to construct "straw man" and give basis for exploiting opening wedge Indian representation might constitute for them.

While not prominent in today's meeting their sensitivity to anything they interpret as "responding to pressure" and their desire maintain appearance of "legality" are also still factors. However question "understanding" on jurisdiction and scope representation arrangement was not raised today by Wang and, of course, I did not mention subject. He may still do so but believe he may now have dropped this although his rewording of paras 2 (a) both sections may be intended broaden arrangement so that ChiComs could request India "investigate facts" any case.

See little I can do next meeting except reiterate our position and discuss remaining points disagreement in "draft agreed announcement". However I have little hope of making any progress on major substantive issue.

[Johnson]

42. Telegram From the Secretary of State to Ambassador U. Alexis Johnson, at Geneva ¹

August 25, 1955—6:40 p.m.

633. Comparison Wang redraft (your 617) ² with text our 599 ³ indicates following substantial changes: 1) In first paragraph "repatri-

¹ Source: Department of State, Central Files, 611.93/8-2555. Secret; Priority. Although the source text bears Dulles' name, the Secretary was in New York from the morning of August 25 until the evening of August 27. The telegram was drafted by Phleger and Sebald, cleared by McConaughy, and approved by Sebald. McConaughy wrote in letter No. 9 to Johnson, August 26, that Phleger returned to duty on August 22 and that the Secretary asked him to coordinate and take responsibility for instructions to Johnson. (*Ibid.*, Geneva Talks Files: Lot 72 D 415, Geneva—Correspondence Re US-PRC, 1955-1956)

² See footnote 3, Document 40.

³ Document 34.

ation of civilians" changed to "return of nationals." 2) Unilateral announcements are couched in terms of an agreement. 3) India is "entrusted" to assist return, and in paying expenses Indian Government is to act "on behalf of the Government of the PRC," thus connoting idea of a protecting power instead of third party designated by US primarily to confirm that its statement regarding freedom to return is in fact true. 4) Indian Government is authorized to "make investigation of the facts," the words "in any such case" being dropped. Effect of this would be permit Indian Government investigate entire matter, presumably all Chinese in US, and not merely those requesting assistance.

These changes appear to indicate 1) intent to convert announcements into an agreement, 2) to have it apply to all Chinese in US and to describe them as nationals of PRC, 3) to give India right to investigate generally and not simply those Chinese who appeal to it, and 4) to establish India as a protecting power.⁴ Above objections are in addition to unresolved question of time limit for release of Americans.

Amendments proposed by Wang make his draft entirely unacceptable for reasons indicated above. We believe it preferable that Saturday⁵ meeting be postponed until some time next week so as to give us further opportunity study our tactics. You should inform Wang such postponement requested, assigning no reasons.

Dulles

⁴ McConaughy wrote in an August 26 letter to Johnson, "Phleger believes that the changes which Wang introduced or reverted to at the August 25 meeting (your 617) are all significant, although the significance may be cleverly disguised. Our 633 may seem to represent something of a hardening of the line, and this indeed may be the case."

⁵ August 27.

43. Instruction From the Secretary of State to Ambassador U. Alexis Johnson, in Geneva¹

A-71

Washington, August 25, 1955.

SUBJECT

GRC and CC Hostile Actions and Overflights Along Taiwan Strait

¹ Source: Department of State, Central Files, 611.93/8-1055. Secret.

REFERENCE

Geneva's Telegram 389, August 10, 1955 ²

Taipei has informed the Department that during the period from March 3 (when the Mutual Defense Treaty came into effect) to August 15, 1955, the GRC Air Force flew 2,476 sorties which included day and night reconnaissance, combat patrols, leaflet drops and anti-ship strikes. A compilation made in the Department on the basis of daily reports yielded a total of 2,189 reconnaissance and patrol missions (at least 50% of which probably involved flights over the mainland or adjacent waters), 396 definitely confirmed overflights, 18 leaflet drops which are also confirmed overflights and 151 anti-ship strikes. The Department's compilation was for the period March 3 to August 6 and added up to a total of 2,754 sorties. These figures are sufficiently close together to justify taking either compilation as being reasonably accurate.

During the same period, the Chinese Communists violated GRC air space on one occasion, on June 27, when two MIG-15's flew over Matsu and attacked an unarmed Fuhsing airliner. Neither Taipei nor the Department has information which would indicate any other CCAF flights over GRC-held territory from March 3 to August 15.

So far as ground action is concerned, Taipei reports the GRC Armed Forces fired 2,863 artillery rounds from Quemoy onto the mainland and sent out 20 reconnaissance patrols. The Communists fired 1,069 rounds at the Quemoy complex and 11 Communist patrols were observed or captured.

GRC naval patrols were maintained on a 24-hour basis with orders to destroy Communist shipping. GRC naval vessels operated most intensively in the area of the Min River near Foochow, around the entrances to Amoy, and less intensively all along the coast, sometimes going as far north as the Taishan Islands (about 27 degrees North) and as far south as Swatow. It is doubtful that GRC vessels operated very often within the three-mile limit, but did fire on coastal targets 7 times and received shore battery fire six times. The GRC navy captured 32 Communist junks, of which four were released.

At the annual Air Force meeting of August 14-15, the Commander-in-Chief of the CAF, General Wang Shu-ming, announced the CAF had flown 13,000 sorties over the mainland during the past

² In telegram 389, Johnson called attention to a report of an article in the *People's Daily* which pointed out the "contradiction" between Nationalist activities, especially overflights of the mainland, and the U.S.-supported principle of refraining from the use of force. Johnson commented that the article probably indicated the line Wang would take when the talks reached that subject and that some kind of reply would be required. (*Ibid.*) Telegram 103 to Taipei, August 13, summarized the report to which Johnson had referred and requested full data on Nationalist "harassment" of the mainland. (*Ibid.*, 611.93/8-1355)

year. This announcement was probably made for propaganda purposes and appears to be grossly inaccurate. GRC-controlled English language newspapers described the "13,000" sorties as "combat and patrol missions" over the mainland and the Taiwan Strait. Our Embassy believes the English language newspapers carried a loose translation of General Wang's remarks, which were more accurately reflected in the vernacular press.

While it is possible that General Wang's exaggerated remarks were innocent and primarily intended to bolster the morale of the people on Taiwan, the Department believes the GRC may be motivated to issue such statements by the hope that they might cause difficulties in the Geneva talks. Foreign Minister Yeh has formally communicated the hope of his Government that the United States will not employ the restrictions on GRC offensive actions contained in the notes of December 10 as a means of urging a "cease-fire" upon the Chinese Communists.³

Dulles

³ Reference is to Foreign Minister Yeh's message to Secretary Dulles transmitted with a note of July 28 from Ambassador Koo; see vol. II, Document 322, footnote 2.

44. Telegram From the Acting Secretary of State to the Embassy in the Republic of China¹

Washington, August 27, 1955—3:42 p.m.

139. Your 158.² Department concerned at Sun Li-jen difficulties and following developments closely. Your reporting commended. Close coverage should be continued.

¹ Source: Department of State, Central Files, 793.551/8-2355. Secret. Drafted and approved by McConaughy.

² Telegram 158 from Taipei, August 23, reads in part as follows:

"View release of statement on case Sun Li-jen, am instructing all offices Embassy including Attachés that great care should be exercised in commenting. As General Sun widely identified with American viewpoint on military matters, for US just to drop him unceremoniously and ignominiously at this point would be considered by many as disloyalty on our part. When questioned by Chinese friends, our reaction will be that in past, General Sun has contributed substantially to the success of our military aid programs and has cooperated whole-heartedly with US in all fields, hence we were surprised at the charges, which seem almost incredible; but we are reserving judgment pending outcome commission of inquiry." (*Ibid.*) General Sun had served most recently as Chief of Staff to President Chiang. Telegram 151 from Taipei, August 20, reported a Chinese Government announcement that day that Sun had resigned on August 3 "as an admission of negligence in connection with case of Communist agent Kuo Ting-liang" and that a Commission of Inquiry had been established. (*Ibid.*, 793.00/8-2055)

Your instructions local US representatives noted. In view somewhat moderated tone and content of charges as published, unofficial personal reaction his friends among US personnel to questions might be affirm faith that Sun not capable of disloyalty to Free China rather than term charges incredible.

FYI Since US Government does not take official position on such matters which are outside its competence, question of US dropping or not dropping Sun would not seem to arise.

Ambassador Koo discussed case with Admiral Radford August 20. Radford told Koo that he had greatest respect for General Sun and did not doubt his loyalty. Suggested that Commission of Inquiry not confine itself solely to Sun's possible implication in Ping Tung incident, but also inquire into underlying causes this incident and larger problem of political influences in Chinese Armed Forces.

Henderson

45. Telegram From Ambassador U. Alexis Johnson to the Department of State ¹

Geneva, August 29, 1955—1 p.m.

642. Although not received until this morning I in fact very closely followed line in first para Deptel 648 ² at dinner with Wang last night.

I indicated had nothing further to add to what I had said previously, no enthusiasm for again covering same ground, and hope he had something new. However, Wang insisted on again going over their position in considerable detail and much earnestness thinking of which followed general line given first portion second para mytel 623. ³

Chinese in US brought up in context number much greater than number Americans in China and therefore as set forth by Chou

¹ Source: Department of State, Central Files, 611.93/8-2955. Secret; Priority; Limit Distribution.

² Telegram 648 to Geneva, August 27, drafted by McCaughy and Sebald and approved by Sebald, was sent to Johnson after he reported in telegram 631 from Geneva, August 26, that he had accepted a dinner invitation from Ambassador Wang for August 28. Telegram 648 suggested that Johnson intimate that he had received no new instructions, that the Department apparently expected the two Ambassadors to dispose of the first agenda item on the basis of the complete right of all civilians to return to their homelands, and that such a solution would be the most effective way to decrease tension and establish a proper atmosphere for the consideration of agenda item two. (Both *ibid.*, 611.93/8-2655)

³ Document 41.

problem latter much more easily resolved. Implication may be that problem former resolved only by workings representation arrangement and that proportion Chinese students in US who go ChiCom territory is one test "improvement relations" and "facility" with which "problem remaining Americans" resolved. Again repetition theme unilateral release flyers had resolved what we had made major issue and therefore now "our turn" make gesture. Also brought up release flyers as example how impossible forecast when remainder could be released but at same time how quickly this could happen following favorable developments (*sic*).⁴ Their "many concessions", no list Chinese US, representation arrangement not satisfactory but willing agree, our form "agreed announcement" accepted etc.

I worked briefly but hard at theme we had agreed discuss return civilians, way to resolve issue was permit them return, dragging out releases not conducive "improvement relations", but produces opposite effect, "let's get it finished", again brought up possibility travel by correspondents if all released (said was speaking personally could make no promises) our very adverse reactions to linking releases Americans to "improvement relations" etc. He rose to correspondent bait and was obviously interested. His replies reinforced my feeling that they unable see anything reprehensible in linking releases to "improvement relations". They start from premise that imprisoned persons have "committed crimes" and that commutation sentences for other than "good behavior" is political act for political purposes.

However unable detect any signs whatever any shift their position and do not believe I gave him any grounds for believing we were going shift. When he made mention at beginning conversation gap until next meeting I said he should realize their position was facing us with "very serious situation".

During preceding dinner table conversation again much talk by Wang on economic backwardness China (steel production now three million tons only three and one-half million by 1957 etc). Economy would long be primarily agricultural and therefore complimentary to advanced industrial economy US thus providing good basis economic relations, US industry very advanced—by implication better than USSR (Soviet autos not good, low powered and old fashioned, wanted US cars etc.), wanted send students to US, China and US long been good friends should be friends again etc.

[Johnson]

⁴ As on the source text.

46. **Telegram From the Secretary of State to Ambassador U. Alexis Johnson, at Geneva** ¹

Washington, August 29, 1955—8:20 p.m.

654. Your 630. ² Instructions for August 31 meeting.

1. Propose solve problem reference "nationals" by returning to phraseology of July 25 identic announcement: "repatriation of civilians who desire to return to their respective countries". Object is to avoid any language which might be construed as implying that US acknowledges that any Chinese in this country have PRC nationality.

2. It should be specified in announcement that we are authorizing GOI to act. It would not seem essential for announcement to take note of fact that PRC has requested GOI to act. If necessary obtain agreement, we would be prepared consider insertion of modifying phrase such as "which has been requested by the PRC to serve in this capacity" following "will authorize the Government of India."

3. You should stand firm on: (a) refusal to use term "US agrees", (b) avoidance "on behalf of the PRC", and (c) restitution of phrase "in any such case".

4. Satisfactory definition of maximum time period for release of Americans considered essential.

5. If you consider it would be useful, you may state you have been instructed to request immediate, circumstantial and authentic report on health and welfare each detained American civilian. Then you should point out cumulative deleterious effects of prolonged imprisonment of sort to which Wang's Government has subjected US citizens grow rapidly more pronounced after several years have elapsed. Letters from numerous relatives indicate increasing anxiety on this score. In this context you may suggest next meeting be fixed for date on which this report will be ready or in any event not before next week.

Dulles

¹ Source: Department of State, Central Files, 611.93/8-2655. Secret; Priority. Drafted by McConaughy, cleared in draft by Phleger, and signed by the Secretary.

² Johnson commented on the Chinese draft of August 25 in telegram 630 from Geneva, August 26, sent in reply to Department telegram 633, Document 42. Johnson commented that he doubted Wang was attaching as much significance as the Department to the term "nationals" and that since it was more extensively used in the U.S. draft of April 16 than in the new Chinese draft, his negotiating position on this point was not good. (Department of State, Central Files, 611.93/8-2655)

47. Telegram From Ambassador U. Alexis Johnson to the Department of State ¹

Geneva, August 31, 1955—6 p.m.

659. Comments today's meeting. ²

Wang was relaxed, made no serious effort press to any show-down, and showed no great sense of urgency. He quickly reached decisions at table on language draft and while immediately noting I had gone back on language our August 16 draft particularly on introductory para did not press his advantage this regard. Degree to which he conceded disputed points in draft also indicated they may not have been attaching same value thereto as we had assumed. While I succeeded in avoiding expressly committing myself to draft in face his willingness reach immediate agreement on text I will have to have very cogent reasons for introducing any further changes. ³

Thus only remaining issue appears be Wang's refusal set any definite time for release remaining Americans. Both of us repeatedly and categorically stated our positions on this issue and there seems little left to say.

In considering our future course of action believe must recognize that we have cut back representation arrangement to point it is much less attractive to ChiComs than something along lines their original

¹ Source: Department of State, Central Files, 611.93/8-3155. Secret; Priority.

² Johnson transmitted his summary report of the meeting in telegram 657 from Geneva, August 31, which reads as follows:

"Two hour and fifteen minute meeting this morning. Wang showed great flexibility on text 'agreed announcement' and agreed with the draft which I believe should be acceptable to US. (Text by separate telegram.) Believe I have been successful in walking back almost the entire way from our August 16 draft.

"No progress on timing release remaining Americans but only reiteration previous positions.

"Readily agreed to next meeting Tuesday, September 6th." (*Ibid.*)

Text of the draft, which Johnson transmitted in telegram 658 from Geneva, August 31, was identical in substance to the agreed announcement released on September 10 (see Document 53) except that in each section the word "now" appeared in the first numbered paragraph, which in the U.S. section reads as follows:

"The US recognizes that Chinese in the USA who desire to return to the PRC are now entitled to do so and declares that it has adopted and will further adopt appropriate measures so that they can expeditiously exercise their right to return." (Department of State, Central Files, 611.93/8-3155)

³ Johnson commented in letter No. 6 to McConaughy, August 31, that he felt he had been required to "back up a long way" from the drafts sent to him in telegrams 466 (Document 18) and 492 (see footnote 2, Document 23) to Geneva, particularly with respect to the question of "nationals". He further commented:

"I also have a feeling that we are becoming increasingly reluctant to recognize the implications of having agreed to these talks. I am thoroughly in sympathy with doing everything possible to avoid all the apparent pitfalls but believe it hard to maintain the fiction that two Ambassadors can discuss and decide on matters without agreeing thereto." (Department of State, Geneva Talks Files: Lot 72 D 415, Geneva—Correspondence Re US-PRC, 1955-1956)

proposal. Therefore its bargaining value is correspondingly reduced. Thus their desire to get to item two is probably principal lever which would move them towards accepting our position. Effectiveness lever difficult estimate and Wang may be doing good job dissimulation. However I have feeling their desire get to item two still far from strong enough to overcome their very strong reluctance give up their position to degree that would be required to give advance commitment on time limit for release remaining Americans. Believe it would be mistake to interpret Wang's flexibility on wording "agreed announcement" as any indication softening their position on substantive issue remaining Americans.

While at moment risk may not seem great I continue be concerned that there could at any time be development which would further delay release those Americans whose release can now be obtained. ⁴

[Johnson]

⁴ Johnson further commented in his August 31 letter to McConaughy as follows:

"One aspect that worries me is that the longer we continue in the present deadlocked position, the more hardened positions on both sides tend to become and the more difficult it becomes to shift therefrom. Looking at it solely from the standpoint of the overall welfare of the detained Americans, I find it hard to work out the equation but believe it important that we do so. We are today able to obtain the release of X number of Americans and within the next month or two Y number may well have been added to that. How large the remaining Z will be I have no way of telling, but it will certainly include the three or four 'difficult' cases. I am convinced that these latter cases are, under the best of circumstances, going to take a long time and doubt whether what we now have to offer under agenda item one is going to obtain their release. Of course I know that the answer is that under the present outlook neither under agenda item two are we going to be able to offer anything that would obtain their release. This may well be the case. However, should X and Y be indefinitely detained in what may be a futile effort to obtain Z?"

48. **Telegram From the Acting Secretary of State to Ambassador U. Alexis Johnson, at Geneva** ¹

Washington, September 2, 1955—6:36 p.m.

677. Your 658.² Agree text proposed announcement quoted reftel as good as can be expected.³ While we would like agreement as to time release Americans it should not be pressed so as to jeopardize agreement on proposed announcement. You should argue on Tuesday for time agreement but if not forthcoming you should indicate your agreement ad referendum that in next meeting (presumably on Friday⁴) there should be agreement on announcement quoted reftel and manner and timing thereof without our insisting agreement on time release Americans. Make clear however that word "expeditiously" means just that and we expect announcement to be carried out in that sense. Would like your views on timing of publication of announcement. We believe announcement should be simultaneous Geneva, Peiping and Washington or Denver at agreed time.⁵

FYI Following announcement we believe meetings should continue not oftener than twice a week at which the subject for discussion would be implementation and details and progress in carrying out agreed announcement. Discussion about item two should not be engaged in until it is clear that agreed announcement is initiated in good faith. Under such circumstances discussions can be had as to

¹ Source: Department of State, Central Files, 611.93/8-3155. Secret; Priority. Drafted by Phleger and Sebald, cleared in substance by the Secretary and by Robertson, cleared by McConaughy, and approved by Hoover. McConaughy wrote in letter No. 11 to Johnson, September 2, that Secretary Dulles had personally reviewed, amended, and approved the telegram the previous day before leaving for vacation and that at his request, McConaughy had flown to Richmond to get Robertson's approval. (*Ibid.*, Geneva Talks Files: Lot 72 D 415, Geneva—Correspondence Re US-PRC, 1955-1956)

² See footnote 2, *supra*.

³ Secretary Dulles commented in a letter of September 1 to the President:

"At Geneva, the talks with the Chinese are going better. It looks as though they would agree to release all of the American civilians 'expeditiously' and without any of the trick language they have been seeking which might carry implications of their legitimacy. Despite much discouragement, we have remained firm and patient, and it may pay off. Then, the next phase will develop. That, too, will be difficult. But as long as we are talking there is less risk to Quemoy and Matsu, and Formosa." (Eisenhower Library, Whitman File, Dulles-Herter Series)

McConaughy wrote in his September 2 letter to Johnson that Robertson thought the wording "could hardly be better from our standpoint", that the "very explicit terminology" made an express time limit unnecessary, and that "if the Communists did not release all the Americans 'expeditiously' in the literal sense of the term, they would be in an absolutely indefensible position."

⁴ September 9.

⁵ Telegram 682 to Geneva, September 3, instructed Johnson that the announcement should be released in Geneva. (Department of State, Central Files, 611.93/9-355)

what should constitute item two on agenda. Such discussions should be recessed whenever it becomes apparent Communists are not carrying out agreed announcement in good faith.⁶

Hoover

⁶ McConaughy amplified on this in his September 2 letter to Johnson:

"It is clearly important not to get into the *substance* of Item Two until all the Americans are out. When we talk about 'discussion about Item Two' and 'what should constitute Item Two' we mean the topics that might be appropriate for acceptance under Item Two. Even this discussion of what would be appropriate topics should be recessed if the Agreed Announcement is not carried out in good faith. WSR's last injunction to me in Richmond yesterday afternoon was to stress the importance of not getting into actual substance of Item Two until all the Americans are out and that includes of course the hard-core cases. We would probably never get the most difficult cases out if we move into Item Two while they are still held."

49. Telegram From Ambassador U. Alexis Johnson to the Department of State¹

Geneva, September 6, 1955—2 p.m.

678. Two hour and twenty minute meeting this morning. Wang opened with statement on Americans granted exit permits.²

I renewed request for time limit on release imprisoned Americans, pointed out still none able depart, measures taken by my government without condition permit Chinese depart, 83 departed since July 11, etc.

Wang repeated his former line this subject from prepared statement and after some give and take along familiar lines I asked series questions on "expeditious" confirmation imprisoned Americans whose cases reviewed would be able promptly depart on issuance "agreed announcement" etc to which he made replies identical with his previous statements.

I then indicated I was prepared recommend my government authorize me accept "agreed announcement" and desired compare texts with him. I gave him text³ which I pointed out represented my un-

¹ Source: Department of State, Central Files, 611.93/9-655. Confidential; Niact.

² Ambassador Wang stated that nine Americans who had applied for exit permits could now depart, that two other Americans would be granted exit permits if they applied for them, and that another American was expected to be able to complete the settlement of his business affairs and depart within 2 or 3 months. The substance of the statement was released to the press by Wang and Johnson and is printed in Department of State *Bulletin*, September 19, 1955, p. 457.

³ Johnson transmitted the text to the Department in telegram 682 from Geneva, September 6. (Department of State, Central Files, 611.93/9-655)

derstanding our discussion last meeting, introduced no new changes, and hoped we could issue after next meeting.

After studying my draft and discussion of a few small nitpicks of which he accepted my version, discussion centered around "now" in para one PRC section and "in any such case" in paras two both sections, he requesting deletion. I pointed out he had raised no question on "in any such case" last meeting, and he noted I had not called their attention to "now" at last meeting.

Only voiced objection to "in any such case" was that it was clear without it and phrase was therefore "unnecessary". In reply my direct question said did not object in principle to phrase and I pressed my advantage to maximum. His argumentation was weak and he several times appeared to waver toward accepting phrase but appeared he had received instructions since our last meeting and he was not clear whether he was able concede.

Opposition to "now" in PRC section was very much stronger, implication of word not in accordance facts as far as PRC concerned, could never accept this word etc. I pointed out always included our drafts, while not in PRC drafts, they had not at last meeting or previously specifically raised issue, did not do violence to even their interpretation facts etc. Clearly his instructions on this very categorical and although I used to maximum my very strong negotiating position was entirely unable shake him. ⁴

He was very anxious propose next meeting be Saturday ⁵ and I agreed.

[Johnson]

⁴ Johnson recommended in telegram 684 from Geneva, September 6, that he should insist on retention of "in any such case" but agree to the deletion of "now" from both sections, commenting that the reason for its insertion, to show that the declaration was subject to termination, was no longer valid since the statements were to be unilateral, and that the reason Johnson had retained it in later drafts, to show that Americans were free to depart as of the date of the announcement, was no longer valid, since U.S. insistence on this had been dropped. (*Ibid.*) Department concurrence with these recommendations was sent to Johnson in telegram 693 to Geneva, September 7. (*Ibid.*)

⁵ September 10.

50. Letter From Ambassador U. Alexis Johnson to the Director of the Office of Chinese Affairs (McConaughy) ¹

Letter No. 7

Geneva, September 7, 1955.

DEAR WALTER: [Here follows discussion of administrative matters and brief comments concerning the previous day's meeting.]

I presume that you are reconciled, and prepared for Wang screaming loud and hard when I refuse to go on immediately to item two following the announcement. I hope we will be successful in our tactic but believe we must recognize that the July 25th announcement does not in any way imply that we would not talk about other practical matters until all the Americans were released. In fact, if they had not released the flyers, I would have had from the very beginning to have talked about that "other practical matter". Of course the agenda proposal which they made greatly helps and strengthens our ability to maintain this tactic, but I see some rough seas ahead.

While it may be true that if we do not get all the Americans out before we undertake discussion of item two, we will not be able to do so; at the same time I am not sure it is going to be at all easy to get the PRC to fall in with this. I most certainly do not expect any mass release in any ten days or two weeks and think it would be wrong to base our plans on this even being a possibility. In spite of the satisfactory nature of the "agreed announcement" and our ability to use it to put public pressure on them, we must recognize that "improvement of relations" is still being maintained by them as a factor in the release of all Americans. If we too obviously stall on coming to grips with item two, they may well get their backs up on the release of further Americans, and we will again face another impasse. We can, of course, publicly beat them over the head with the "agreed announcement" and will do so, but the entire operation is not going to be easy or simple.

I will greatly appreciate all the thoughts and suggestions that you can give me on how you visualize my handling of "what should constitute item two of the agenda". That is, do you visualize a program which would have for its ostensible purpose the establishing of an agreement upon the sub-points to be discussed under agenda item two? If so, how do you visualize my formulation of our points, particularly the "no force" point?

As soon as you have a chance to do so, I would greatly appreciate an outline of the whole trend of our thinking on our tactics under agenda item two. There are, of course, many difficulties in attempting just to keep talking without asking for or giving conces-

¹ Source: Department of State, Geneva Talks Files: Lot 72 D 415, Geneva—Correspondence Re US-PRC, 1955-1956. Secret; Official-Informal.

sions. We have a great paucity of subjects which can be raised without involving the interests of the GRC. If the PRC has definite objectives, as it probably does, under item two, it will be easy for them to seize and retain the initiative and I will be continually on the defensive. It seems to me that it will also be difficult in such circumstances for me to avoid being too obviously in the position of simply stalling. I wish I could think of some positive and offensive approach we could make, but thus far have not been able to do so.²

On the whole question of renunciation of force, I believe it important that we have a carefully thought out program. We have clearly renounced force in Article I of our Treaty with the GRC, as well as under our United Nations obligations, but it does not seem to me at all clear that the GRC has done so since it considers action against the mainland as an internal matter. It seems to me that the PRC is playing the present situation very cleverly by talking softly, apparently engaging in no overt offensive operations, while the Nationalists still continue their small-scale raids, their reconnaissance flights and their belligerent statements. How do I answer PRC allegations that our Treaty with the GRC and the accompanying exchange of notes, together with our supply and equipment to the GRC, simply proves that we are approving and supporting the military activities of the GRC against the mainland? Also what do I say when the PRC quotes GRC official statements in questioning whether the GRC has in fact accepted the principle of nonrecourse to force with respect to the mainland? Perhaps there are easy answers to these questions, but I must confess that I do not know what they are.

When this entire question comes up, I believe we should anticipate the possibility of PRC proposing to us a joint declaration perhaps something along the lines of Chou's "five principles"³ or per-

² Johnson wrote in letter No. 8 to McConaughy, September 15, that he had forgotten to mention in his last letter that Wang invited him, his advisers Ralph N. Clough and Douglas N. Forman, and Ekvall to the gala opening of the Peking Opera in Geneva. Wang called to ask if Johnson would be willing to accept the invitation. Johnson replied that although he would be glad to see the opera, he could not attend the opening night with its inevitable publicity. Wang then sent tickets for the following night with the promise that Johnson's presence would not be publicized, and Johnson reciprocated by sending him tickets for a concert in Geneva by the New York Philharmonic Symphony Orchestra. He commented that he was doing this "with the thought this sort of thing will help me carry out our objectives in the difficult days ahead" and felt that "by maintaining a reasonably easy personal relationship to which he has been responsive, I can do much to avoid or postpone a break when the going gets tough." (*Ibid.*)

³ The "five principles of peaceful coexistence", as set forth in a Sino-Indian communiqué of June 28, 1954, were mutual respect for each other's territorial integrity and sovereignty, nonaggression, noninterference in each other's internal affairs, equality and mutual benefit, and peaceful coexistence. For text of the communiqué, see *Documents on International Affairs, 1954*, pp. 313-314.

haps even Article I of our Treaty with the GRC which would not in the slightest affect their "right" to use force to "liberate" Taiwan as long as they treat it as an internal matter. If, as I assume, we reject any joint declaration, what are we proposing in its stead? Do we want a general unilateral declaration on renunciation of force so worded as also to specifically apply to the Formosa situation, and, if so, are we not asking for something which the GRC would refuse to do? Or rather than a renunciation of force, are we looking for a de facto cease fire between the PRC and GRC? If so, this seems to be outside the scope of these talks as clearly something that directly involves the GRC.

All the foregoing I realize is very confused as it simply reflects my very confused thinking which I am sharing out loud with you and know that you will treat it as such. I will appreciate all the thoughts you can send me, however preliminary they may be, as I would very much like to have this thought through clearly in my own mind before I come up against it. I am sorry that there was not sufficient time while I was in Washington really to talk these things through. I hope that you will have an opportunity thoroughly to do so with the Secretary and Walter Robertson.⁴

[Here follow personal remarks and a request for a number of documents.]

With kindest regards.

Sincerely,

Alex

U. Alexis Johnson

⁴ McConaughy wrote to Johnson in letter No. 15, September 23:

"The Secretary read the latter half of your letter No. 7, when we briefed him and received new guidance from him at his home on September 18 right after his return from Duck Island. So the Secretary is aware of the general nature of your forebodings about the 'no force' issue. In general we attach more weight than you apparently have so far to the commitment we have from the GRC in the Exchange of Notes of Dec. 10 pursuant to the Mutual Defense Treaty. Admittedly this commitment has not prevented and will not prevent minor sea, air and artillery incidents. But these are mere pin pricks which are going to have to be considered as something which must be lived with in the present situation. We must look to the central issue which is major invocation of force for a general offensive purpose. On this we have a commitment from the Nationalists which ties in with our own renunciation. We believe this should give you a somewhat stronger position than you have recognized. But admittedly you would have to develop a tactic for brushing aside the small incidents as trivial and inevitable, as not essentially bearing on the central issue." (Department of State, Geneva Talks Files: Lot 72 D 415, Geneva—Correspondence Re US-PRC, 1955-1956)

51. Memorandum of a Conversation, Department of State, Washington, September 9, 1955 ¹

SUBJECT

Possible Belgian Recognition of Chinese Communist Regime.

PARTICIPANTS

Baron Silvercruys, Ambassador of Belgium
Mr. Muller, Second Secretary, Belgian Embassy
Mr. Hoover—Acting Secretary of State
Mr. Robertson, Assistant Secretary for Far Eastern Affairs
UNP—Mr. Bond
WE—Mr. Dennis

The Acting Secretary told the Ambassador that we were deeply concerned over the prospect of Belgian recognition of Communist China and that in the absence of the U.S. Ambassador in Brussels we had wired our Chargé d'Affaires to express this concern to the Belgian government. Mr. Hoover then read to the Ambassador the substance of the telegram (Department's 276 of September 3, 1955). ² He went on to say that he wished to express as earnestly as he could the U.S. concern over this situation. He particularly emphasized that, over the last year, the people of the U.S. have come to have increasingly strong feelings regarding Communist China. The U.S. Congress has gone on record virtually unanimously against this admission to the UN. ³ He is very concerned that, were Belgium to recognize the Peiping regime, there would be a strong public reaction in this country which might jeopardize the traditionally cordial relations between our two nations.

Mr. Robertson remarked that such an action could not come at a worse time. He referred more particularly to negotiations which are proceeding at the present time for the release of American civilians who are still being held by the Chinese Communists. If the latter should now receive further recognition, these negotiations would be imperiled. There is no evidence that Communist China has given up her long-term objectives or would change her tactics except through force and pressure of public opinion. The Chinese Communists continue to violate their international agreements. They now have at

¹ Source: Department of State, Central Files, 793.02/9-955. Secret. Drafted by Dennis and initialed by Hoover, indicating his approval.

² The telegram under reference was prompted by telegram 223 from Brussels, September 1, which reported that Foreign Minister Spaak called in Chargé Philip D. Sprouse that morning to tell him that after careful consideration and discussion with the Prime Minister and his colleagues, he had concluded that the "time had come" for recognition. (*Ibid.*, 793.02/9-255 and 793.02/9-155, respectively)

³ Most recently, in an amendment to the mutual security bill adopted by the House of Representatives on June 30, by a vote of 221 to 0. For text, see Section 12 of the Mutual Security Act of 1955 (approved July 8; 69 Stat. 283).

least seven hundred thousand troops in North Korea and the build-up continues. An analogous situation is found in Indochina.

Mr. Hoover remarked that we do not, of course, expect an answer from Baron Silvercruys at this moment regarding his Government's final position. The Ambassador replied that this conversation would be faithfully reported. Naturally, any reply on this matter must come from the Belgian Foreign Affairs Minister and he could not presume to speak for Mr. Spaak. Speaking personally, however, he would like to note the following points.

1. What he thinks is in Mr. Spaak's mind is that, as the years go by, one is impressed by the fact that in Peiping there is a group which firmly controls the Chinese mainland. The probabilities are that this regime will continue to assert effective control over that area.

2. To be sure, the administration of the area is a cruel one, and some doubt may be expressed about the allegiance of some of the people, but all indications are that sovereignty is exercised to the fullest extent to which a government is able and that we must admit it.

3. The people of China, it is true, are not well informed but the fact is that the group in Peiping represents that mass of people and at Geneva has participated in the settlement of matters at the highest level, even of matters outside Communist China.

4. Communist China is dealing at Geneva on the ambassadorial level with the U.S. not only on matters dealing with prisoners but with other subjects.

Therefore, Communist China today is dealing with many other nations as a full-fledged power. Not only is considerable Belgian capital invested in China but the Communist regime is holding a number of Belgian businessmen as hostages. Belgium must cope with this situation. This must have been a fundamental preoccupation of the Foreign Minister when he broached the matter with the U.S. Chargé d'Affaires in Brussels. Mr. Spaak might have broached the matter in quite another way, such as in a public speech, but the Ambassador was glad he took the direct approach when he went to Mr. Sprouse because, between friends, you can always adjust differences. Mr. Spaak had not rushed into the matter. It might be compared to Secretary Dulles' action in giving NATO the benefit of his thoughts before public declarations. Of course, Mr. Spaak may not have had all information that is available regarding the aggressive intentions of Peiping, but there is a certain amount of tranquility which now prevails along the Formosa Strait, in Korea and along the borders of China. Today the Chinese regime is not relying on force. Thus it was that Mr. Spaak wanted the Department to realize how his trend of thought was running. Mr. Spaak will be in New York on the 21st of September and Baron Silvercruys doubts that anything will happen

before that date. He also promised that he would send on to Brussels a careful account of Mr. Hoover's and Mr. Robertson's remarks.

Mr. Hoover said that he deeply appreciated Mr. Spaak's approaching us and added that the U.S. looks at this matter differently from Belgium, due to our geographic situation. We are contiguous with the Orient and, therefore, in dealing with China, we are dealing with a neighbor. Mr. Robertson stated that we feel that the admission of Communist China into the UN hangs upon its fulfillment of its international obligations. If there seems to be a tranquil situation today, this is due largely to Communist China's realization of the attitude which the civilized world takes. We feel that any acceptance of Communist China's past actions would lead to further aggression on its part.

Mr. Robertson also expressed concern over any effort to lift the UN finding of aggression against Communist China. In forming the UN the members agreed to renounce force as a means of seeking their ends. Communist China has not budged an iota on the use of force. After the aggression in Korea and Indochina, what has suddenly happened to qualify it for membership in the UN? It isn't a question of who is in territorial possession as regards the UN seat. The U.S. is united politically against letting Communist China into the UN. The Ambassador replied that Mr. Spaak is keenly alive to the 1951 resolution labeling Communist China as an aggressor four years ago,⁴ but now there is a certain amount of tranquility.

Mr. Robertson noted that we had to negotiate with the Chinese Communists at Geneva as they were the ones who committed the aggression. This implied no recognition; if a gangster takes my child, I have to negotiate with the gangster. Recognition by Britain of Communist China did not help the British get their properties in China back again.

Mr. Hoover emphasized his concern over U.S. public opinion and his wish to avoid misunderstanding in the public mind. Mr. Robertson again commented that the timing now is especially bad. The Ambassador asked what would be the conditions under which recognition could be contemplated. Would Communist China have to give up all recourse to force? Mr. Robertson said we think they wish to control all of the Far East. We think if the Chinese Communists are suddenly accepted, all the Southeast Asian countries would be sucked into the Chinese orbit and this would be a threat to the whole free world. The Peiping regime Communists are Communists first and Chinese second, the most fanatical Communists in the world.

⁴ For text of Resolution 498(V), adopted by the General Assembly on February 1, 1951, see *Foreign Relations*, 1951, vol. VII, Part 1, p. 150.

It was agreed that since Mr. Spaak would arrive in New York on the 21st for the opening of the UN, perhaps he and Secretary Dulles could discuss this matter further at that time.⁵

⁵ No record of any discussion of this subject by Spaak and Dulles in New York has been found in Department of State files. Sprouse reported in telegram 260 from Brussels, September 12, that Spaak had apparently given up the idea of recognition for the time being because of the U.S. reaction. (Department of State, Central Files, 310.2/9-1255)

52. Telegram From Ambassador U. Alexis Johnson to the Department of State¹

Geneva, September 10, 1955—5 p.m.

708. At today's meeting² Wang struggled hard to retain "now" in US section trying various combinations and at one time even suggesting both "now" and "in any such case" be retained US section while both deleted from ChiCom section.

Also tried hard to insert "the problem of" or "the question of" before "Chinese" in introductory paragraph US section same change mutatis mutandis in ChiCom section so it would read "with respect to the problem of Chinese in US Ambassador Johnson etc." Finally compromised by leaving agreed English text as is Chinese text to contain phrase this effect. Ekvall and Clough feel he had valid Chinese stylistic point.

At very end meeting said names of additional Americans released in future would be notified to US through UK. I then replied I hoped in accordance with announcement other cases would be expeditiously handled and settled that during course of talks here he would inform me as well as UK of names those released and said I would be prepared report to him on our implementation statement. He carefully ignored all reference to making any report here simply

¹ Source: Department of State, Central Files, 611.93/9-1055. Confidential; Priority.

² Johnson reported in telegram 703 from Geneva, September 10, that the agreed announcement, with the word "now" deleted from the first paragraph of each section, would be released at 5 p.m. Geneva time. He reported in telegram 705 of the same date from Geneva that Wang had given him the names of three imprisoned Americans who were "being granted early release" and seven Americans, in prison or under house arrest, who were to be deported. (*Ibid.*) The text of a statement which Johnson released to the press that day, with the names of the 10 Americans who were to be released and sent to Hong Kong within a few days, is printed in Department of State *Bulletin*, September 19, 1955.

reiterating UK Chargé would be notified. Neither of us attempted further to pursue subject.

Next meeting September 14.

[Johnson]

53. Agreed Announcement of the Ambassadors of the United States of America and the People's Republic of China ¹

Geneva, September 10, 1955—5 p.m.

The Ambassadors of the United States of America and the People's Republic of China have agreed to announce measures which their respective governments have adopted concerning the return of civilians to their respective countries.

With respect to Chinese in the United States, Ambassador U. Alexis Johnson, on behalf of the United States, has informed Ambassador Wang Ping-nan that:

1. The United States recognizes that Chinese in the United States who desire to return to the People's Republic of China are entitled to do so and declares that it has adopted and will further adopt appropriate measures so that they can expeditiously exercise their right to return.

2. The Government of the Republic of India will be invited to assist in the return to the People's Republic of China of those who desire to do so as follows:

A. If any Chinese in the United States believes that contrary to the declared policy of the United States he is encountering obstruction in departure, he may so inform the Embassy of the Republic of India in the United States and request it to make representations on his behalf to the United States Government. If desired by the People's Republic of China, the Government of the Republic of India may also investigate the facts in any such case.

B. If any Chinese in the United States who desires to return to the People's Republic of China has difficulty in paying his return expenses, the Government of the Republic of India may render him financial assistance needed to permit his return.

¹ Source: Department of State, S/P Files: Lot 66 D 70, China. The heading is that of the original announcement. The source text is Department of State press release 538 of the same date, which also states, "Secretary of State John Foster Dulles has approved this action by Ambassador Johnson and President Eisenhower has been kept advised of the progress of the talks."

3. The United States Government will give wide publicity to the foregoing arrangements and the Embassy of the Republic of India in the United States may also do so.

With respect to Americans in the People's Republic of China, Ambassador Wang Ping-nan, on behalf of the People's Republic of China, has informed Ambassador U. Alexis Johnson that:

1. The People's Republic of China recognizes that Americans in the People's Republic of China who desire to return to the United States are entitled to do so, and declares that it has adopted and will further adopt appropriate measures so that they can expeditiously exercise their right to return.

2. The Government of the United Kingdom will be invited to assist in the return to the United States of those Americans who desire to do so as follows:

A. If any American in the People's Republic of China believes that contrary to the declared policy of the People's Republic of China he is encountering obstruction in departure, he may so inform the Office of the Chargé d'Affaires of the United Kingdom in the People's Republic of China and request it to make representations on his behalf to the Government of the People's Republic of China. If desired by the United States, the Government of the United Kingdom may also investigate the facts in any such case.

B. If any American in the People's Republic of China who desires to return to the United States has difficulty in paying his return expenses, the Government of the United Kingdom may render him financial assistance needed to permit his return.

3. The Government of the People's Republic of China will give wide publicity to the foregoing arrangements and the Office of the Chargé d'Affaires of the United Kingdom in the People's Republic of China may also do so.

54. **Circular Telegram From the Acting Secretary of State to All Diplomatic and Consular Missions**¹

Washington, September 12, 1955.

163. For personal attention Chief of Mission from the Secretary. Reports indicate widespread erroneous impression abroad that Am-

¹ Source: Department of State, Central Files, 611.93/9-1255. Official Use Only. Drafted in CA; cleared by Sebald and Robertson and, in draft, by Phleger; approved for transmission by Hoover. The time of transmission is not legible on the source text. A note on the source text indicates that it was approved in draft by the Secretary on September 1 for release when the agreed announcement was issued at Geneva.

bassadorial talks Geneva signify relaxation US opposition recognition or UN seating Communist China. US continues oppose recognition Communist China. US recognizes and supports Government Republic of China for reasons set forth CA 7316 of April 23.²

Continued Communist military buildup South China coastal area and direct and indirect support of threat of force and subversion against Governments of Korea, Vietnam and Laos are serious unsettling factors in general Far Eastern situation.

Hoover

² Circular airgram 7316, sent to all U.S. diplomatic and consular posts, was entitled "Enlisting Support for U.S. Policies Toward Taiwan". (*Ibid.*, 611.93/4-2355)

55. **Telegram From the Acting Secretary of State to
Ambassador U. Alexis Johnson**¹

Washington, September 13, 1955—7:41 p.m.

717. Instructions for September 14 meeting.

1. Basic position remains as stated second paragraph Deptel 677.²

2. While discussion concerning Item 2 should be postponed if possible until Item 1 completed and in any event should not be engaged in until it clear Agreed Announcement initiated good faith, important bear in mind necessity avoiding breakdown talks.

3. It appears to us here that avoidance Item 2 topics can best be accomplished by taking positive position that urgent necessity exists for detailing numerous steps called for on both sides in implementation Agreed Announcement. Progress in effectuating Item 1 necessary preparation discussion Item 2.

¹ Source: Department of State, Central Files, 611.93/9-1355. Secret; Niact; Limited Distribution. Drafted by McConaughy; cleared by Hoover, Murphy, Phleger, and, in draft, by Sebald; approved for transmission by Robertson.

McConaughy wrote in letter No. 13 to Johnson, September 12, that the Department was concerned about leaks to the press in Washington, which it feared might jeopardize the issuance of the agreed announcement, and was therefore taking steps to reduce the distribution of the telegrams to and from Johnson. He commented, "They have had entirely too wide distribution, up to now having gone not only all over the Department but all over the Government." (*Ibid.*, Geneva Talks Files: Lot 72 D 415, Geneva—Correspondence Re US-PRC, 1955-1956).

² Document 48.

4. You may make extensive statement on US implementation responsibilities it has assumed under its announcement. You will be given enumeration of US steps by separate telegram.³

5. You should call for corresponding detailed account steps taken by PRC fulfill its responsibilities. This might include report on invitation office of UK Chargé, listing measures facilitate contact American citizens with him, itemization steps taken assure widespread publicity for Announcement in places where it will become known to all detained Americans, whereabouts all Americans who wish to leave, welfare jailed Americans, progress 9 Americans already granted exit permits, status 3 other Americans not in jail who do not yet have exit permits, and movements and approved travel routes Americans enroute out of country or preparing depart.

6. There is no objection to a recess if desired by Wang, in which case it should be by agreed announcement.

7. If Wang endeavors obtain priority for his proposed Item 2 topics by prematurely presenting a list to you at next meeting you should counter by telling him that you have Item 2 topic in your pocket also (FYI missing American servicemen), but you are not presenting it yet because time is not yet ripe and same restraint expected from him.

8. Meetings should not be oftener than twice a week.

Hoover

³ A list of steps taken by the United States was sent to Johnson in telegram 718 to Geneva, September 13. It stated that the Indian Government had been informed of the agreed announcement and formally invited to assume the role described therein, and it outlined steps that had been taken to publicize the agreed announcement. (Department of State, Central Files, 611.93/9-1355) The formal invitation to the Indian Government was conveyed in a note of September 12 from the Embassy in New Delhi, which transmitted the text of the agreed announcement, extended a "cordial invitation" to assume the functions described therein, and offered the U.S. Government's full assistance. (Telegram 576 to New Delhi, September 10, and telegram 487 from New Delhi, September 11; *ibid.*, 611.93/9-1055 and 611.93/9-1155, respectively) A note delivered to the British Foreign Office on September 13 by the Embassy in London inquired whether the British Government would "confirm that it is prepared to assume the specific functions set forth in the Agreed Announcement" as to Americans in China wishing to return to the United States. (Telegram 1392 to London, September 12, and telegram 1018 from London, September 13; *ibid.*, 603.4193/9-1255 and 603.4193/9-1355, respectively)

56. Telegram From Ambassador U. Alexis Johnson to the Department of State ¹

Geneva, September 14, 1955—1 p.m.

722. 1) I opened this morning's meeting with a prepared statement along lines of Deptel 718 ² closing with hope Wang would give me similar detailed information on implementation announcement. He replied with some general statements that wide publicity given in China and proposed US "present official text agreed announcement to UK" and they would do likewise with India "which would complete official procedures after which PRC would formally notify UK Chargé in Peking".

2) I replied by asking series questions on method whereby Americans in China unable to read Chinese would obtain information on announcement, how those in jail would be informed, facilities for those in jail communicate with UK Chargé (particularly concerned this point as still 4 persons in jail from whom no letters whatsoever received) arrangements for UK Chargé interview Americans in jail when in accordance announcement US desires facts be investigated, meaning "prescribed period" within which Fathers Gordon, Hyde and Joyce ordered to leave, ³ date and time 10 Americans notified last meeting will arrive Hong Kong, and specific information on health and welfare each American in jail not yet released.

3) Wang replied full text announcement would be carried in English language publications in PRC, those in jail would have announcement translated and read to them. Did not reply on freedom prisoners communicate with UK Chargé, said investigations by Chargé would be "in accordance with terms of announcement", would subsequently inform me of anticipated dates of arrival Hong Kong released Americans and on health and welfare those still imprisoned. He then returned to his proposal formal text announcement be given UK by US and India by PRC. PRC will then give full information to UK on their responsibilities "entrusted" to them by US.

4) He then asked my assent to his speaking, on which I indicated I had nothing further to say this morning and indicated no objection. He then pulled out and read a long prepared statement to effect

¹ Source: Department of State, Central Files, 611.93/9-1455. Confidential; Niact.

² See footnote 3, *supra*.

³ Johnson's detailed report of the meeting in telegram 725 from Geneva, September 14, indicates that the term "prescribed period" had been used in a New China News Agency announcement of September 11 with regard to the Reverend Frederick D. Gordon, the Reverend Joseph Eugene Hyde, and the Reverend James Gerald Joyce, Catholic missionaries who had been under house arrest since 1953 and were among the Americans who were to be deported. (Department of State, Central Files, 611.93/9-1455)

now that "agreement" reached on Item 1 should turn to Item 2 under which desired raise two points: US economic blockade and embargo and preparation for "negotiations at a higher level on easing and elimination of tensions in the Taiwan area". Also asked what I thought should be discussed under Item 2.

5) At close his statement I said I had "noted it" and stated that I also had matters which I wished to discuss under Item 2 "at the proper time" but felt it was premature. "I cannot consider Item 1 finally disposed of until all Americans in PRC who desire return are able to do so." "Agreed announcement represented advance but way in which carried out cannot but help influence atmosphere in which discussion Item 2 carried on." Hoped we could quickly get to Item 2.

6) Wang apparently surprised and not prepared for my position which he characterized as very strange and regrettable. In much inconclusive give and take along these lines, I pointed out Item 1 could have been quickly and completely resolved if they had permitted all Americans return but 19 Americans still detained, etc. In reply specific question as to when I would consider it "proper time" proceed Item 2, I stated "when it is clear the terms agreed announcement being faithfully implemented."

7) At end of meeting when usual question arose as to what to say to press, he said "I will inform press of the two items I have raised and you are free to tell them what you wish". I misunderstood and interpreted his statement as meaning only that he was going to tell the press we had discussed agenda Items 1 and 2, and replied that I was going to inform press simply that we had exchanged information on implementation agreed announcement. On comparing notes my advisors after meeting I am now clear that what he meant was that he was going to inform press two subjects raised his prepared statement this morning which he has done.⁴ Regret I did not realize this was his intention or I would have protested as contrary spirit our agreement on private nature talks.

8) Next meeting Tuesday, September 20.

[Johnson]

⁴ A memorandum of conversation by McConaughy, September 14, records a telephone conversation with Johnson that day, in which the latter proposed issuing a U.S. press statement to counter Wang's. Robertson and Phleger approved, with some revisions in Johnson's draft. (*Ibid.*) The text of the U.S. statement issued in Geneva that day is printed in Department of State *Bulletin*, September 26, 1955, p. 489.

57. **Telegram From the Chief of the Military Assistance Advisory Group, Formosa (Smythe) to the Commander in Chief, Pacific (Stump)** ¹

Taipei, September 18, 1955—1:30 p.m.

180530Z. Cite MG 9074 for Adm Stump signed Smythe. As a result of conf with highest echelons of MND on 17 Sep the Gimo ordered additional troops to reinforce Matsu garrison as follows: 611 FA Bn (105-M2), 1 inf bn from 57 Div. Apparent basis is that the Gimo expects an attack against Matsu during period 27 Sep to 15 Oct. This order is contrary to the MAAG position as expressed in CHMAAG msg MG 8043 DTG 220216Z June ² and made abundantly clear to the ChiNats many times in the past and in my letter to MND dtd 16 Sep 55, summarizing my position as follows: "Since these plans (movement) are not in harmony with MAAG advice nor consistent with our previous discussion on the matter, I feel it necessary that I restate the MAAG position, which is:

A. The off-shore island areas now have a disproportionately large share of GRC forces.

B. The logistical aspects of supporting the off-shore islands have reached a critical stage.

C. More units to the off-shore islands increase the requirements for class 1, 2, 3 and 4 and a resultant greater difficulty in meeting class 5 requirements. This could conceivably result in a lower combat effectiveness with more men.

D. The actual physical space available for units in Matsu area is becoming limited.

E. The overall training program of GRC forces is impeded with each additional unit which is sent to off-shore islands.

F. The important rotation program for units on off-shore islands is not being implemented because of logistical limitations.

G. It is believed that both Matsu and Kinmen garrisons have reached such strength that further increases multiply the support problems out of proportion to any resultant increase in combat effectiveness.

H. Exception: units approved and programmed specifically for the off-shore islands, such as the 155 gun batteries should be sent out according to plan.

I must re-emphasize that I feel that further augmentation of the Kinmen and Matsu garrisons is not in the best interest of mutual defense program. There is another aspect of unit assignment to the off-shore islands which requires comment. MND frequently orders the movement of MDAP supported units without any coordination with MAAG. This practice makes smooth, harmonious relationships between MND and MAAG difficult which in turn reduces the general effectiveness of our Sino-American team."

¹ Source: JCS Records, CCS 381 Formosa (11-8-48) Sec. 29. Top Secret; Priority.

² Not found in Department of State files.

At present, considering this move of no great overall importance, I do not wish to make a further issue of the matter other than to register a strong protest, thus gaining a bargaining point for future use.³

³ Telegram 200137Z from CINCPAC to Chief MAAG, Formosa, September 19, approved Smythe's proposal to render a protest, cautioning that this should be done in a manner "so as not to widen gap of understanding, harmony and cooperation between US and GRC authorities." (JCS Records, CCS 381 Formosa (11-8-48) Sec. 29) Telegram 200136Z from CINCPAC to CNO, September 19, stated that although the Communists had the capability for an attack on Matsu, there were no increased indications of such an attack. It noted that CINCPAC had approved Smythe's proposal for a protest but recommended that the matter not be carried further, noting that the intended reinforcement was not large and could be absorbed within the existing defense structure, that a shift of this magnitude would not decrease the defensibility of Taiwan, and that the major factor against further reinforcement of the offshore islands was the increased logistic support problem. (*Ibid.*)

58. Telegram From the Secretary of State to Ambassador U. Alexis Johnson, at Geneva¹

Washington, September 19, 1955—3:45 p.m.

745. Instructions for September 20 meeting.

1. Department approves your suggested oral reply to Wang question invitation to GOI and UKG,² as contained paragraph 5 your 740.³ While question raised by Wang seems trivial and without merit, considering explicit language of Agreed Announcement, it would seem desirable for you to explore fully with him subject of respective communications to GOI and UKG. Department expects

¹ Source: Department of State, Central Files, 611.93/9-1955. Secret; Niact; Limited Distribution. Drafted by McConaughy and Phleger; cleared in draft by the Secretary; cleared by Sebald and approved by Robertson.

² Reference is to a letter from Wang to Johnson, September 16. Johnson reported in telegram 739 from Geneva, September 17, that he had just received the letter, which stated that Wang had proposed on September 14 that the United States should "formally entrust" the British Government and the PRC should "formally entrust" the Indian Government so as "to complete procedures of entrusting third powers". The letter requested confirmation that the United States had "formally entrusted" the British Government and stated that upon receiving it the PRC would notify the British Government of its agreement. (*Ibid.*, 611.93/9-1755) Johnson transmitted the text of the letter in translation under cover of despatch 5, September 21. (*Ibid.*, 611.93/9-2155) Johnson's detailed report of the September 14 meeting in telegram 725 from Geneva, September 14, described Wang's proposal as follows:

"Wang then proposed US Government present official text of agreed announcement to UK and he would present same to GOI thus completing official procedures regarding invitation of third powers. After these official procedures concluded his government would formally notify UK Charge in Peking." See Document 56.

³ Johnson proposed in paragraph 5 of telegram 740 from Geneva, September 17, that at his next meeting with Wang he should reply orally along the following lines:

Continued

obtain further information from British Embassy later in day regarding ability UK Mission in Peiping to perform agreed function. Wang should be queried insistently in regard to action taken by PRC with UK Mission in Peiping until you are satisfied that necessary facilities accorded.

2. Department will send you separate report today on publicity for Agreed Announcement in Chinese language newspapers in U.S. ⁴

3. Department has received note from Indian Embassy containing formal GOI acceptance role assigned to it. ⁵ Indian Ambassador calling at Department September 20 to discuss Indian Government responsibilities under Agreed Announcement. UK has orally indicated in answer to our formal note that it is prepared to accept function requested. Written confirmation expected shortly. We of course do not object to PRC approaching GOI in same vein that we have approached UKG. We consider it mandatory on PRC to approach UK as we have approached GOI.

4. We hope to have additional information for you from INS in time for tomorrow's meeting on latest departures Chinese for Far East.

5. You are requested to raise question of unilateral public statements. You should make it clear to Wang that you are not charging him with act of bad faith on September 14, since it now appears that he did give notice at last meeting that he intended issue statement. However his statement of intention was not clearly understood by you at the time and created necessity for you put out unilateral public statement. You should propose that both sides get back to original agreement of no unilateral public statements without clear understanding or explicit advance notice.

6. If necessity develops you are authorized inform Wang at Tuesday ⁶ meeting that while Item One has priority on Agenda until implementation complete, you will be prepared at following meeting (not before Sept. 24 but preferably following week) begin task of

"A. As I informed him Sept 14 USG has formally transmitted agreed announcement to GOI and invited it undertake in US functions set forth in announcement. GOI has formally replied accepting invitation.

"B. USG has also transmitted agreed announcement to UKG and formally requested it undertake in PRC functions set forth announcement.

"C. USG has therefore taken all action required of it in order that third countries concerned may undertake their functions. What action has PRC taken?"

He noted that he had not informed Wang of the U.S. communication to the British Government at their last meeting because he had not had the information at that time. (Department of State, Central Files, 611.93/9-1755)

⁴ The report was sent to Johnson in telegram 743 to Geneva, September 19. (*Ibid.*, 611.93/9-1555)

⁵ Dated September 16. (*Ibid.*, 211.9311/9-1655)

making up Agenda under Item Two. You will propose that each side come to following meeting with list of items which it wishes raise under Item Two. Lists would be exchanged at that meeting. After interval of about a week in which each side could consider items proposed by other, meeting would be scheduled at which agreement would be sought on topics to be considered under Item Two. At that meeting effort would be made determine order in which topics would be considered.

7. You should inform Wang at Tuesday meeting that request which he has publicly made for talks at higher level is procedural and not substantive and cannot be considered by us as "practical matter at issue". Request does not fall within agreement regarding Geneva talks represented by mutually agreed communiqué of July 25. It would nullify the agreement we now have to discuss "practical problems now at issue" at the Ambassadorial level. We are not prepared substitute another forum for this one nor to discuss or agree now as to what would happen when current Geneva talks concluded which we would hope would be when all practical matters at issue disposed of. Both sides should make maximum effort settle "practical matters now at issue" at Ambassadorial level as already agreed.

8. You may remind Wang that during discussion topics for Item Two we will feel free return to implementation Item One which will always remain in priority position on Agenda and we will continuously observe such implementation. We have taken due note of fact that 7 of 29 imprisoned Americans have arrived Hong Kong. We confidently anticipate early release of remainder as well as 12 Americans previously denied exit permits.

9. FYI only. Topics we propose raise under Item Two are following: (1) unaccounted for American servicemen from Korean war and (2) renunciation of force. We consider proposing (3) "restitution of seized American diplomatic and consular property on China mainland" and request your comment on this item.

Dulles

59. Telegram From Ambassador U. Alexis Johnson to the Department of State ¹

Geneva, September 20, 1955—3 p.m.

745. 1. At today's meeting two hours ten minutes, apparently on theory best defense is offensive, Wang opened with statement accusing me of violating understanding on private nature talks reaffirming desire to keep talks private.

2. I replied with statement explaining my misunderstanding his intention at last meeting, pointing out his statement disclosed substance his remarks therefore required me make public substance our position. Regretted his statement yesterday, ² noted I had made no response and hoped "I will not have to do so". Glad he agreed meetings should continue to be private. This followed by some give and take on whose fault but reaffirmation of agreement on private nature talks.

3. I then made reply his letter along lines paragraph 5 my 740 ³ adding only Indian Ambassador today discussing with Department responsibilities being assumed.

4. There was then long give and take with Wang on one hand trying twist my remarks into statement we had "invited" UK and "agreed" to PRC invitation to GOI. I expressed surprise Wang's effort make issue out of this, pointed out clear language agreed announcement, and emphasized substance of situation, that is, US had immediately taken all action implement agreed announcement with respect to third countries, India now able function in US, UK apparently still not able function in PRC. Said it was imperative they take with UK action similar that US had taken with GOI. Wang said PRC had extended "invitation" to GOI and Nehru had announced in Parliament its acceptance. Towards end I pressed hard for statement PRC would contact UK Chargé Peiping and do necessary permit UK immediately start functioning. After unsuccessfully pressing me hard to say we had "invited" UK in accordance with announcement he apparently chose to accept my statement that we had informed UK and requested it undertake functions and while avoiding direct reply my insistence that PRC contact UK Chargé, appeared to indicate they would do necessary permit UK function.

¹ Source: Department of State, Central Files, 611.93/9-2055. Confidential; Niact; Limited Distribution.

² Wang's statement, released to the press on September 19, took issue with Johnson's September 14 statement to the press and declared that the talks should proceed immediately to agenda item two. Johnson transmitted the text in telegram 741 from Geneva, September 19. (*Ibid.*, 611.93/9-1955)

³ See footnote 3, *supra*.

5. I then made statement on publicity agreed announcement Chinese press in US and referred to unanswered questions I had asked him in last meeting specifically pointing up health and welfare each American not released and information on agreed announcement to Americans still in jail.

6. On health and welfare he countered by renewing demand for names and addresses all Chinese in US but avoided direct reply to my question as to whether he now refusing give me information on health and welfare Americans in jail. With respect informing Americans in jail he said "I told you last meeting what is done and that still holds".

7. After some additional give and take along these lines during which I expressed disappointment he had no information for me today on implementation, I made statement accordance paragraph 7, Deptel 745.

8. Wang made impromptu reply to effect that understanding at outset of talks was that either side could bring up anything it considered be practical matter at issue, not possible settle all practical matters at issue these talks, therefore higher level meeting necessary. Such meeting also desired by "some high American officials". I made no reply and he indicated nothing further say today suggesting next meeting Friday, September 23, to which I agreed.

9. There was then considerable discussion as to exact wording of statement to press. ⁴

[Johnson]

⁴ The agreed statement released to the press after the meeting stated that the Ambassadors had "exchanged information with respect to the implementation of the agreed announcement and exchanged views regarding item 2 of the agenda." Johnson transmitted the text in telegram 743 from Geneva, September 20. (Department of State, Central Files, 611.93/9-2055) Johnson commented in telegram 747 from Geneva, September 20, that Wang's attitude at the meeting that day was "deliberately much more brusque and in general harder than at any previous meeting" but that, although Wang had pressed for discussion of agenda item two, "there was no move on his part to bring matters to a head and I felt no necessity of using authority given me in paras. 6 and 8 Deptel 745." (*Ibid.*)

60. Telegram From the Acting Secretary of State to
Ambassador U. Alexis Johnson, at Geneva ¹

Washington, September 22, 1955—4:56 p.m.

766. Your 758. ²

1. Your general course of action for September 23 meeting as proposed reftel approved.

2. Department strongly endorses your intention make vigorous representations regarding slow PRC implementation Agreed Announcement, and totally unsatisfactory status PRC arrangements for performance UK function. In fact such arrangements non-existent so far as US Government aware. Wang should be severely taxed with PRC non-compliance this obligation. It should be put to Wang that it pressingly incumbent upon PRC afford conclusive evidence American nationals, including those in jail, have been informed their rights under Agreed Announcement and that Office of UK Chargé has been given necessary advice and facilities by PRC. As to those in jail, we should insist that UK Chargé be given access to them, since they have no access to him. US Government does not care whether PRC calls this approach to UK Government invitation, notification or request. US Government unable see that this is more than mere quibble. Essential objective is inform Americans and enable UK Chargé to act. We will not allow this question rest until satisfaction afforded.

3. Department requesting Embassy London inform you by direct cable if possible in time for tomorrow's meeting whether written Foreign Office reply yet received to our note of September 12, and whether any word yet received by Foreign Office from PRC as to arrangements for performance UK function. Our reply to London's 1034 ³ has been delayed from day to day in anticipation early word

¹ Source: Department of State, Central Files, 611.93/9-2155. Secret; Niact; Limited Distribution. Drafted by McConaughy, cleared by Phleger and Sebald, and approved by Robertson.

² Johnson stated in telegram 758 from Geneva, September 21, that at the next meeting he proposed to give Wang all further available information on U.S. implementation of the agreed announcement, express dissatisfaction with the slow rate of PRC implementation, and express regret that because of this they had thus far been unable to turn to item two. He did not plan to use the authority sent to him in paragraphs 6 and 8 of telegram 745 to Geneva (Document 58) unless Wang informed him of the release of additional Americans and of PRC implementation of the announcement with respect to the United Kingdom. (Department of State, Central Files, 611.93/9-2155)

³ Telegram 1034 from London, September 14, reported that O'Neill, commenting that he would be able to do little to assist the remaining American prisoners unless they were able to communicate with him, had asked whether the U.S. interpretation of the announcement would permit him to inquire concerning them. (*Ibid.*, 611.93/9-1455)

from Peiping. Replies to London's 1034 and 1119 ⁴ will be repeated you in any event before tomorrow's meeting. ⁵

4. Re paragraph 5 reftel concur most unlikely that discussion anything in regard to Item Two can appropriately take place at next meeting in view scope and seriousness our unanswered questions on implementation Agreed Announcement.

5. Indian Ambassador called at Department September 20 ⁶ to discuss Indian role. He reaffirmed Indian acceptance and satisfactorily cleared up all questions of interpretation which had occurred to him. Expressed appreciation for US assurances full cooperation. Said discharge Indian function will begin promptly.

6. FYI. We are working on draft letter from you to Wang requesting accounting for 450 missing American servicemen, and on renunciation force study. These are for possible introduction next week or later.

7. Re your 753, ⁷ subject Secretary's approval we have discarded idea of raising subject seized US Government properties on China mainland in course these talks. End FYI.

8. Department believes we should concentrate efforts and attention on implementation Agreed Announcement. We question advisability devoting emphasis to demands for reports on health and welfare jailed Americans about which we could do nothing. Most constructive approach problem health and welfare prisoners would be their release. However, you may wish seek reason why Kanady ⁸ has

⁴ Telegram 1119 from London, September 20, reported that formal British agreement to assume the functions set forth in the agreed announcement would be conveyed in a letter from Macmillan and that the Foreign Office had requested clarification of the language of the announcement as to who was to extend the invitation. (*Ibid.*, 611.93/9-2055)

⁵ Telegram 1624 to London, September 22, stated that the Department considered the question of whether the Indian and British Governments were to be invited, notified, or requested to perform the allotted functions was a mere "quibble". The Department had naturally communicated with both governments and assumed the PRC Government would do likewise. (*Ibid.*) Telegram 1625 to London, September 22, stated that the Department considered that the imprisoned Americans were in a special situation and that O'Neill should have access to them unless they were given unimpeded access to him. (*Ibid.*, 611.93/9-1455)

⁶ Mehta's conversation with Assistant Secretaries Robertson and Allen was recorded in a memorandum of conversation by J. Jefferson Jones, September 20. (*Ibid.*, 293.111/9-2055)

⁷ In telegram 753 from Geneva, dated September 21, Johnson commented on the Department's suggestion that restitution of seized American diplomatic and consular property on the China mainland be proposed as a subject of discussion under agenda item two. He stated, *inter alia*:

"Listing item will inevitably be interpreted by ChiComs and others as possibly remote but nevertheless definite step in contemplation eventual recognition. From narrow standpoint continuation these talks and release Americans this would be useful. Principal adverse factor to be considered is effect in Taiwan." (*Ibid.*, 611.93/9-2155)

⁸ Dilmus T. Kanady, a businessman imprisoned in 1951, was among the Americans who were to be deported.

not yet departed and why Sister Dugay apparently unable leave Shanghai on SS *Hunan* (Hong Kong's 630).⁹ We are suggesting to Maryknoll Mission that it repeat its orders to Bishop Walsh (your 761)¹⁰ apply for exit permit.

Hoover

⁹ Dated September 21. (Department of State, Central Files, 293.1111/9-2155)

¹⁰ Dated September 22. (*Ibid.* 293.1111/9-2255)

61. Telegram From Ambassador U. Alexis Johnson to the Department of State¹

Geneva, September 23, 1955—1 p.m.

767. 1. As expected today's meeting became very acrid. I opened with long statement along lines my 758,² closing with statement when PRC has "by its action, demonstrated that it is expeditiously carrying out terms of agreed announcement, way will be cleared for discussion issues each side wishes bring up under item two". Hoped PRC will act promptly so can quickly proceed to those discussions.

2. Wang replied by "formally informing" me that on September 22 note was sent to UK Chargé Peiping in reply to note received from him stating "UK had accepted US invitation" and way therefore cleared for UK act in PRC.

3. Ignored remainder my questions, general line being all these matters now for third power, agreed announcement disposed agenda item one, PRC will faithfully implement, and launched into strong attack on my mention of 19, no Americans detained, only criminals in jail, have admitted crimes of espionage and subversion, do aliens in US have freedom carry out subversive activities, etc., etc., and then at some length flatly accused US of raising these issues deliberately in order to stall on discussion item two, difficult understand since US had made original July 25 proposal, etc.

4. He then continued with statement replying to my statement last meeting on higher level meeting (text by separate tel).³ There

¹ Source: Department of State, Central Files, 611.93/9-2355. Confidential; Niact; Limited Distribution.

² See footnote 2, *supra*.

³ Johnson reported in telegram 773 from Geneva, September 23, that Wang had maintained that item two had never been intended to exclude discussion at a higher level of those practical matters which their talks were not able to solve but that "on the contrary, it was the function of these talks to make arrangement for practical and

Continued

was then much vigorous give and take during which I ignored his reply on higher level meeting and while acknowledging his statement UK now finally able function, concentrated entirely on our dissatisfaction with implementation announcement. Of 29 Americans in jail when these talks began 19 still there, this not "expeditious" release, no replies our request for specific assurance each American in jail had been informed of agreed announcement, freedom of communication with UK Chargé, and ability UK interview. These all problems of PRC implementation and not for UK Chargé. Stalling had been by PRC which unwilling to accept our original proposal way to resolve item one was simply permit civilians return.

5. He expressed dissatisfaction I unwilling say anything this meeting on item two and pressed me hard for commitment to discuss item two next meeting, to which I expressed my strong dissatisfaction his lack of replies on implementation announcement and refused make any commitment on discussion item two. At close of meeting he stated that if at next meeting we still refused discuss item two, "they would have to consider making a public unilateral statement".

6. Agreed on press communiqué identical with last meeting (mytel 743) ⁴ except for substitution "they continued to exchange information" first portion second paragraph.

7. Next meeting Wednesday September 18.

[Johnson]

physical channels through which these practical matters might be solved". (Department of State, Central Files, 611.93/9-2355)

⁴ See footnote 4, Document 58.

62. **Memorandum From the Assistant Secretary of State for Far Eastern Affairs (Robertson) to the Secretary of State** ¹

Washington, September 23, 1955.

SUBJECT

Conversations with Senator George and Congressman Richards

¹ Source: Department of State, Central Files, 611.93/9-2355. Secret. The source text bears a notation indicating that it was seen by the Secretary.

I visited Senator George at his office in Vienna, Georgia, on the 21st and had luncheon with Congressman Richards here in Washington on the 22nd. Memoranda of the conversations are attached.²

I briefed them both in detail on the subject of our talks with the Red Chinese in Geneva. I explained the positions we had taken up to the present and planned to take in the future. Both gentlemen expressed unqualified approval of the course we were following. Both stated that in their opinion we should not proceed to a discussion of "practical matters" under item 2 until we were satisfied that our jailed citizens in China had been notified of their rights under the agreement of September 10th and further that the British Chargé in Peiping had been allowed personal communication with them.

They both agreed that we should insist that the Communists carry out their agreement for the discussion of "practical matters" at issue at the Ambassadorial level. Both agreed that the renunciation of force was a proper subject for discussion under item 2.

Senator George emphasized that we should not consider a conference between you and Chou En-lai until the Communists had publicly renounced the use of force in the settlement of the Formosa problem. I inferred from Congressman Richards' conversation that he did not consider that a foreign ministers conference was called for under any conditions.

² The memoranda of conversation, both by Robertson, dated September 21 and 22, are not attached to the source text. (*Ibid.*, 611.93/9-2155 and 611.93/9-2255, respectively)

63. Editorial Note

At a meeting of the ANZUS Council, held in Washington, September 24, Secretary Dulles commented on United States policy concerning the Taiwan Strait; a record of the meeting is scheduled for publication in the compilation on United States policies with respect to the East Asian-Pacific area in a forthcoming volume.

64. Telegram From the Secretary of State to Ambassador U. Alexis Johnson, at Geneva ¹

New York, September 26, 1955—11 p.m.

4. Your 770.² Following instructions for your September 28 meeting have been personally cleared with the Secretary in New York.

1. You are to conduct discussions so that no legitimate basis given for other side to break them off.³

2. You should continue pressing implementation agenda item 1, pointing out failure to give information to Americans, etc., as disclosed Hong Kong's 66 to Geneva⁴ and lack action remaining detained Americans.

3. We note with satisfaction your refutation Wang's attempt to contend that imprisoned Americans not included agreed announcement. Announcement applies to all American civilians without distinction and Communists must be held absolutely to this.

4. After covering implementation item 1 you can proceed to discuss subjects for listing item 2. You should note as subject we propose (a) accounting for US military personnel and (b) renunciation of use of force in Taiwan area. Continue maintain position high level talks out of order on grounds set forth our 745. After discussion as to

¹ Source: Department of State, Central Files, 611.93/9-2655. Secret; Priority. Repeated to the Department for information as Dulte 1 from New York, which is the source text. Secretary Dulles was in New York for meetings with the British and French Foreign Ministers in preparation for the four-power Foreign Ministers Conference to be held in Geneva in October and November.

² Johnson commented in telegram 770 from Geneva, September 23, that he thought the meeting that morning had been very useful in bringing home the depth of U.S. dissatisfaction with PRC implementation of the agreed announcement but that it would not be possible to keep the talks solely on that note. He further commented:

"Question is what we do if by time of next meeting there has been no additional performance on their part. Believe that some sort additional reply to his statement today on higher level meeting and line in paras 6 and 8 Deptel 745 [Document 58] would with some difficulty carry me though next meeting or two but problem will be where we go from there. With our having already rejected one of his two items and we apparently having only two items there is not going to be much scope for an agenda argument. It would, under these circumstances seem to me to be our best tactic to attempt to focus on a substantive exchange on 'no force' for as long as we could keeping their item of trade embargo on ice for as long as we could." (Department of State, Central Files, 611.93/9-2355)

³ McConaughy wrote to Johnson in letter No. 16, September 30, "You will not be surprised to learn that the President's illness has given the continuation of these talks added importance in the eyes of the Secretary." (*Ibid.*, Geneva Talks Files: Lot 72 D 415, Geneva—Correspondence Re US-PRC, 1955-1956) President Eisenhower suffered a heart attack on September 24; he was hospitalized until November 11.

⁴ Telegram 66, repeated to the Department as telegram 653 from Hong Kong, September 23, stated that the Americans who had left China through Hong Kong since September 10 knew little or nothing about the agreed announcement. (*Ibid.*, Central Files, 293.1111/9-2355)

items for listing agenda item 2 further consideration should then be put over until next meeting, set as far in future as possible.

5. By separate telegram we are sending you substance statements on accounting for military personnel⁵ and renunciation use of force.⁶ Request your comments. These designed for use subsequent meetings but could be used on emergency basis this meeting if you believe break imminent.

6. With respect to Wang's item "question of embargo", you are authorized to accept it for listing, provided he accepts our items, and subject to condition that item "renunciation of force" has priority.

Dulles

⁵ The statement concerning unaccounted-for U.S. military personnel was sent to Johnson in telegram 790 to Geneva, September 27, but Dulles 3 from New York of the same date instructed him not to use the statement, which would require further consideration and consultation with the Department of Defense. (Both *ibid.*, 611.93/9-2755)

⁶ See *infra*.

65. Telegram From the Acting Secretary of State to Ambassador U. Alexis Johnson, at Geneva¹

Washington, September 27, 1955—10:36 a.m.

789. New York's 4,² paragraph 5. Following is text of statement³ on renunciation use of force:

"One of the practical matters for discussion between us is that we should reciprocally renounce the use of force to achieve our policies when they conflict. The U.S. and the PRC confront each other with policies which are in certain respects incompatible. This fact

¹ Source: Department of State, Central Files, 611.93/9-2755. Secret; Niact. Drafted by Phleger and McConaughy and approved for transmission by Robertson. The statement was revised and approved by the Secretary.

² *Supra*.

³ Revisions in the first sentence and the last paragraph were sent to Johnson in telegram 86 to Prague, September 30. The first sentence was revised to read as follows:

"One of the practical matters for discussion between us is that each of us should renounce the use of force to achieve our policies when they conflict."

The last paragraph was revised to read as follows:

"We ask, therefore, as a first matter for discussion under Item 2, a declaration that your side will not resort to the use of force in the Taiwan area except defensively. The United States would be prepared to make a corresponding declaration. These declarations will make it appropriate for us to pass on to the discussion of other matters with a better hope of coming to constructive conclusions." (Department of State, Central Files, 611.93/9-3055)

need not, however, mean armed conflict, and the most important single thing we can do is first of all to be sure that it will not lead to armed conflict.

"Then and only then can other matters causing tension between the parties in the Taiwan area and the Far East be hopefully discussed.

"It is not suggested that either of us should renounce any policy objectives which we consider we are legitimately entitled to achieve, but only that we renounce the use of force to implement these policies.

"Neither of us wants to negotiate under the threat of force. The free discussion of differences, and their fair and equitable solution, become impossible under the overhanging threat that force may be resorted to when one party does not agree with the other.

"The United States as a member of the United Nations has agreed to refrain in its international relations from the threat or use of force. This has been its policy for many years and is its guiding principle of conduct in the Far East, as throughout the world.

"The use of force to achieve national objectives does not accord with accepted standards of conduct under international law.

"The Government [*Covenant*] of the League of Nations, the Kellogg-Briand Treaties,⁴ and the Charter of the United Nations reflect the universal view of the civilized community of nations that the use of force as an instrument of national policy violates international law, constitutes a threat to international peace, and prejudices the interests of the entire world community.

"There are in the world today many situations which tempt those who have force to use it to achieve what they believe to be legitimate policy objectives. Many countries are abnormally divided or contain what some consider to be abnormal intrusions. Nevertheless, the responsible governments of the world have in each of these cases renounced the use of force to achieve what they believe to be legitimate and even urgent goals.

"It is an essential foundation and preliminary to the success of the discussions under Item 2 that it first be made clear that the parties to these discussions renounce the use of force to make the policies of either prevail over those of the other. That particularly applies to the Taiwan area.

"The acceptance of this principle does not involve third parties, or the justice or injustice of conflicting claims. It only involves recognizing and agreeing to abide by accepted standards of international conduct.

⁴ The Kellogg-Briand Treaty or Pact of Paris, signed at Paris on August 27, 1928; for text, see Bevens, vol. II, pp. 732-735.

"We ask, therefore, as a first matter for discussion under Agenda Item 2, assurance that your side will not resort to the use of force in the Taiwan area except defensively. The U.S. would be prepared to give a corresponding assurance. These reciprocal assurances will make it appropriate for us to pass on to the discussion of other matters with a better hope of coming to constructive conclusions."

Hoover

66. Telegram From Ambassador U. Alexis Johnson to the Department of State ¹

Geneva, September 28, 1955—4 p.m.

790. 1. Wang opened this morning's meeting with long prepared statement to effect agreed announcement completed agenda item one, we were entangling agenda items one and two, if our intent was delay discussion agenda item two until all remaining Americans released "this sure to fail", will not submit to threats, etc., etc., suggested if we had any "specific opinion" on implementation announcement PRC willing give consideration and that discussion thereof be referred to assistants. Will inform UK results of reviews as completed. Criticism US implementation, 76 who applied for departure whose names we previously gave him 42 not yet returned, none has returned who left since beginning of talks, knows of no one who has left US to return to China except Tsien, students fearful to apply for departure, etc. Our attitude will "impair the improvement of Sino-American relations and is bound to have a bad effect on our lenient way of solving the problem remaining Americans".

2. I replied with long statement stating no need spend much time on these subjects if he would give me straightforward answers to my straightforward and simple questions on implementation, unless were willing to keep each other fully informed on implementation will be difficult to make progress discussion other matters, implementation too important to leave to assistants, then refuted his statements on Chinese students in US, welcomed statement they willing give consideration suggestions on implementation, pointed out my repeated questions this regard, repeated them and also re-framed as suggestions asking for specific replies, in referring statement on threats said I could not understand how my questions on

¹ Source: Department of State, Central Files, 611.93/9-2855. Confidential; Niact; Limited Distribution.

implementation could be interpreted as threats, he could be certain we would not respond to threats, PRC should be absolutely clear we not willing trade fate remaining persons for political concessions. Three weeks since agreed announcement and not one of 19 yet released, our concern increases with passage of time no information on this vital point, only prompt full and faithful implementation announcement can dispose agenda item one, only implementation words of announcement can dispose of problem return of Americans, until this accomplished first item of agenda remains first order of business, have returned to it today and will continue to return to it as long as questions remain.

3. I then took note of fact 10 imprisoned Americans arrived in Hong Kong and some of 12 had also arrived and in expectation PRC will act expeditiously with remaining 19 and further effort demonstrate our desire talks should progress, desired discuss with him today topics which we should discuss under agenda item two. Referred my rejection of higher level meeting and put forward two subjects "renunciation of use of force for achievement national objectives" and "accounting for US personnel". Consider renunciation of force of fundamental importance to discussion agenda item two, should therefore be discussed before economic embargo. Therefore suggested subjects in order of (a) accounting US personnel ² (b) renunciation of force and (c) economic embargo.

4. In reply Wang reiterated previous points on implementation and then referring my suggestion renunciation of force as topic read short prepared statement which was largely non sequitur in terms of what I had said but repeated usual Communist line "not wanting war with US, PRC had renounced force in international relations, tension in Formosa Straits caused by presence US forces" etc. All this could be resolved only by higher level meeting. Expressed puzzlement by what I meant under subject "accounting for US personnel", said thought this taken care of under agenda item one.

5. In reply I returned to implementation repeating my questions and again also reframing as suggestions asking for reply next meeting. Then briefly discussed higher level meeting repeating previous position and adding his proposal indicated pessimism which I did not share on what two of us should be able to accomplish. Pointed out I had presented our two items in as neutral terms as possible and would be prepared subsequently discuss them.

² Telegram 798 to Geneva, September 27, instructed Johnson to propose "Accounting for U.S. Personnel" as a subject for discussion under agenda item two. A correction was sent on September 28 instructing him to change this to "Accounting for U.S. Military Personnel", but Johnson reported in telegram 796 from Geneva, September 28, that the correction had not arrived until after the meeting. (*Ibid.*, 611.93/9-2755 and 611.93/9-2855, respectively)

6. He then stated prepared to continue discussion next meeting but wanted to make clear had not committed himself on subjects or their order. I agreed and he accepted my proposal for Wednesday, October 5 for next meeting.

7. He tried hard obtain press communiqué omitting reference to discussion implementation agreed announcement but we finally agreed upon communiqué identical with that of last meeting. He said would not regard this as precedent for communiqué next meeting.

[Johnson]

67. Memorandum of a Conversation, Department of State,
Washington, October 4, 1955 ¹

SUBJECT

Formal call of Chinese Foreign Minister Yeh on the Secretary

PARTICIPANTS

The Secretary
Dr. George Yeh, Chinese Foreign Minister
Dr. Wellington Koo, Chinese Ambassador
Mr. Robertson, Assistant Secretary, FE
Mr. McConaughy, Director, CA

After the initial pleasantries, the Chinese Foreign Minister, Dr. George Yeh, said he had wanted to exchange ideas with the Secretary before the Foreign Ministers Meeting scheduled for late October. He said that the talk about the possibility of a meeting between the Secretary and Chou En-lai had had very bad repercussions in Taiwan and elsewhere. It was the view of the Chinese Government that it would be highly undesirable for the Secretary to enter any conference with Chou En-lai or to discuss any substantive matters with the Chinese Communists.

The Secretary agreed, and said that the possibility of a meeting with Chou En-lai was very remote. He had no such idea in mind. The matter had been brought up by persons outside the State Department. Senator George had become involved in the talk. The Secretary had been asked at a Press Conference about the prospects. He had minimized the possibility but had avoided a categorical "no" because he did not like to talk in terms of "never". Peiping had picked up this press conference item. The President had then been asked

¹ Source: Department of State, Central Files, 611.93/10-455. Secret. Drafted on October 7 by McConaughy. See also the memorandum, *infra*.

about the matter. He had side-stepped the question but had likewise refrained from using a categorical "no".² Correspondents had read too much into the refusal to rule out the possibility altogether, and the speculation had snowballed. The Secretary said that such a conference was the last thing in the world he would plan. But he could not say flatly that no conference at that level would ever take place. It was just conceivable that the proposition might get out of control. However, it was his purpose to avoid a conference at that level if at all possible.

Foreign Minister Yeh mentioned the Chinese Communist desire to obtain a relaxation of the trade embargo. He asked if the pressures on the U.S. to agree to a lowering of trade controls were very great.

The Secretary said yes, there was great pressure, from European countries primarily and from Japan secondarily. There was a strong drive to make the strategic list for Communist China correspond more closely to that for the Soviet Union.³ It was just possible that the U.S. might have to make some slight concessions in order to hold the major position. We much prefer to hold the line where it is. But if we insist too rigidly on holding the higher level of China controls precisely where it is, then the whole structure of multilateral controls might collapse. It is better to make some minor concessions than to jeopardize the multilateral system of controls. We would rather write off 10% of the structure and save 90% than risk losing it all. Any concession the U.S. might agree to would be a minimum in any case.

Dr. Yeh said he understood that in any event there would be no discussion of the trade embargo at Geneva until Agenda Item One was completed.

The Secretary said that the U.S. would not carry on the talks if we were convinced that the Chinese Communists were acting in bad faith on the implementation of the Agreement under Item One. However the U.S. is not insisting that all Americans must be released before we touch Item Two. Already Ambassador Johnson and Wang Ping-nan are talking about agenda items under Point Two.

The Secretary said he was inclined to think that the Communists are guilty of bad faith. They are not carrying out their obligations under the Agreed Announcement. They are trying to show that the U.S. is guilty of bad faith on Item Two. They apparently figure that

² Reference is apparently to the Secretary's press conference of July 26 and the President's press conference of July 27; see vol. II, Document 319. The President also referred to this subject at his August 4 press conference; see Document 3.

³ Reference is to the lists of items subject to export controls by the countries participating in the Coordinating Committee (COCOM) and the China Committee (CHINCOM) of the Paris Consultative Group of nations working to control the export of strategic goods to Communist countries.

if the U.S. does not proceed with substantive discussions under Item Two they are entitled to renege on the release of the Americans.

Dr. Yeh asked if the U.S. was willing to let the matter slide. Would the discussions be allowed to drag on?

The Secretary said, "Maybe so". He saw no harm in continuing to talk, although he supposed that it might make the Generalissimo and his advisors nervous.

Dr. Yeh said, "That is putting it mildly". He said he was less nervous than many of his colleagues in the Government since he felt he had a better perspective on the talks. President Chiang had told him to express the alarm of the Chinese Government at the continuation of the talks. Any U.S. concessions would amount to giving the enemy moral comfort and material assistance which would add to his capability for seeking to destroy the Chinese Government.

The Secretary said, "You need to have some confidence that we are trying to play the game along with you". We can not and do not try to dictate arbitrarily to our ally, the Chinese Government, although many people apparently assume that we can do so. We want our Chinese friends to accord us latitude to play the game as we think best. We are playing as tough and astute a game as we possibly can. We do not believe the Chinese could ask for more. The representatives of some Governments are slipping on the basic China issues. The U.S. Government is using all the pressure and influence possible to keep other Governments in line. When we try so hard to hold the line against a rising tide in favor of Communist China, we feel that we are entitled to your confidence. It is discouraging if confidence is lacking, when we are working our fingers to the bone in support of the Chinese Government. Some other Governments have been working on the U.S. for two years, doing everything possible to get us to weaken our position. We have used all sorts of devices and stratagems to retain the support of other countries in maintaining the international position of Nationalist China. It is not always appropriate to tell the Chinese officials all the means that we use. We have been surprisingly successful so far and we intend to keep trying. The Secretary asked Dr. Yeh to tell his President that he should have faith in us. Great efforts are being made to keep the pressures on the Chinese Communists.

Dr. Yeh said that he would like to think aloud a little about the principle of not resorting to force. He was not taking any position but exploring the subject. He thought the Communists were following two lines simultaneously. Peng Te-huai⁴ said at Peiping in July that the PRC must redouble its efforts to liberate Taiwan. This was after the Bandung Conference, where Chou En-lai had said he pro-

⁴ Vice Premier and Defense Minister of the People's Republic of China.

posed to solve the Taiwan question by meeting the local authorities in Taiwan and treating the matter as an internal problem to be solved by political methods. Dr. Yeh said, "Suppose Wang agrees not to use force in solving the Taiwan question and asks Ambassador Johnson for U.S. assistance in solving the question by political means?" This was imaginary but it could happen. How would the Secretary handle that matter?

The Secretary said that we would maintain that the principles we advocate for other partitioned countries should be applied uniformly. We might propose free internationally supervised elections for China, including the Mainland, such as have been proposed for other divided countries.

Dr. Yeh said that the contest might be unequal after the Chinese people have been subjected to six years of Communist regimentation.

The Secretary asked Dr. Yeh if he thought for one moment the Communists would allow an outside international body to come in and supervise free elections on the Mainland? They would certainly throw the suggestion right out the window.

Dr. Yeh said he thought the Communists would come up with some sort of proposal for agreement that the Taiwan question should be solved by political means.

The Secretary and Mr. Robertson expressed serious skepticism. They thought it was entirely contrary to the Communist line as voiced in Moscow and Peiping. The Communists have been consistent in opposition to any sort of two-China proposition.

[Here follows general discussion concerning a variety of subjects.]

**68. Memorandum of a Conversation, Department of State,
Washington, October 4, 1955 ¹**

SUBJECT

Chinese Communist Intentions and the Continuation of the Geneva
Ambassadorial Talks.

PARTICIPANTS

The Secretary

¹ Source: Department of State, Central Files, 793.00/10-455. Top Secret; Very Limited Distribution. Drafted by McConaughy and initialed by Dulles, indicating his approval. A note attached to the source text from Roderic O'Connor instructed McConaughy to distribute it to Hoover, Murphy, Phleger, Bowie, MacArthur, and Robertson on an eyes only basis.

Dr. George Yeh, Chinese Foreign Minister
Dr. Wellington Koo, Chinese Ambassador
Mr. Robertson, Assistant Secretary, FE
Mr. McConaughy, Director, CA

In the course of the conversation reported separately, ² Dr. Yeh said that he wished to speak off the record briefly.

According to reports received by him, Molotov had seen Harriman ³ in New York and had told him that only two things were needed to restore peace in the Far East: (1) Recognition of Communist China, and (2) A political solution of the Taiwan question. Dr. Yeh said he understood that Molotov had intimated the Soviet Union might recognize Taiwan and deal with Chiang Kai-shek as head of a Government of Taiwan.

At a later point in the conversation, the Secretary recalled that the two Governments had various difficult problems in common. At the moment the most critical common problem was Quemoy and Matsu. There was little doubt that the Chinese Communists could take these off-shore islands against the strongest Chinese Nationalist resistance, if the resistance were unaided. It was not at all certain that the United States could come to the help of the Chinese Government in that situation. In fact at the moment it seemed evident that the U.S. could not do so, because of the temporary disability of the President. The President was not in a position to exercise the judgment that would be required under the Joint Resolution of last January, and no one else in the world was authorized by Congress to exercise that judgment in his stead.

The Secretary said that the Geneva talks were designed to help the Chinese Government to keep Quemoy and Matsu. The U.S. Government does not have any independent interest of its own in these islands. "It does not give a hoot about them". But we ⁴ know how you feel about them. So we are trying desperately through diplomacy to enable you to hold these islands. We are aware of your objections to the Geneva talks. If you told us that you considered it more important to break off the talks than to retain Quemoy and Matsu, we would arrange to terminate the talks as soon as you were prepared to evacuate the islands. But you have 60,000 troops on those islands. Your prestige is committed there. You are convinced that the loss of these islands would be very bad.

The Secretary said he agreed that the loss of the islands would be bad. It was better to keep the islands without having to engage in

² See the memorandum, *supra*.

³ Governor of New York W. Averell Harriman, who had served as Ambassador to the Soviet Union from 1943 to 1946.

⁴ "We" as used in the Secretary's remarks throughout this memorandum refers to the Department or the U.S. Government. [Footnote in the source text.]

a fight which would probably be a losing one. We can not determine the course independently, nor can you. It is a partnership with a common problem. The Generalissimo agreed when the Mutual Defense Treaty was negotiated last November to exclude the off-shore islands from the Treaty area. We have no Treaty obligation to help in the defense of the islands. But we know that you consider that the loss of these islands would have a very grave effect. So we are trying by diplomacy to create a situation where you can keep the islands. We can tell you in confidence that this aspect of the situation is very much in our minds in connection with the Geneva talks. We are trying to urge upon the Communists as to the Taiwan area a principle we firmly believe in: the renunciation of force. The same principle, we believe, should apply in other places, including the countries partly occupied by Communist regimes and in places such as Goa and Northern Ireland. We have said it to Nehru and to Rhee. Chancellor Adenauer of Germany has pledged not to use force to reunify his country. It is a sound principle. Fortunately, the principle now operates to the advantage of the Chinese Government in the Taiwan area.

Dr. Yeh remarked that "If we are to adhere to this principle, we must prepare for a long period of 'political consultations', to use the Communist term."

The Secretary agreed. He said he had reminded Johnson that Panmunjom⁵ took two years. It is slow business, and we will have to get hardened to it.

Mr. Robertson recalled that it took six weeks to get the Agreed Announcement. Any conference with the Chinese Communists might well take at least six months.

Dr. Yeh said that his Government wanted to play the game astutely, too. The tactics should be to cause the Communists to reconsider their position from time to time—to push them back. The Secretary's doctrine was difficult, because it was well-known that the Americans were not noted for patience. The general impression abroad was that the Americans would lose their patience in time.

⁵ Reference is to the negotiations to bring about a truce in the Korean war, held at Kaesong and Panmunjom July 1951-July 1953.

69. Telegram From Ambassador U. Alexis Johnson to the Department of State ¹

Geneva, October 5, 1955—4 p.m.

811. 1. Two and one-half hour meeting this morning. ² At opening I referred to questions and/or suggestions on implementation I had raised last meeting and hoped Wang had replies this morning. He launched into long prepared statement terming discussion of item two "thus far unsatisfactory", were spending time on "details" concerning agreed announcement and I was raising questions in this regard to "prevent discussion substance item two". Renewed suggestions be discussed by assistants or through UK Chargé Peking.

2. Then referring to my suggestion on subjects we discuss under item two stated "each side may raise subjects it considers should be discussed and not necessary to limit subjects or to fix their order". There is no necessity carry on any prolonged argument on subjects to be discussed, "will not agree removal any subjects", then went on with long justification for discussion higher level meeting largely repeating previous line. He then referred my two subjects stating he had already given me list all Americans in China including military personnel, if by raising subject I intended imply more Americans in China "this was sheer fabrication", we have not given them list of Chinese in US, if there is to be any accounting of personnel up to US to do accounting.

3. Then turned to renunciation of force, should distinguish between civil conflicts which outside scope of these talks and international disputes. "Even in civil conflicts China had striven for peaceful solutions when circumstances permit." "Chiang clique under wings of foreign forces has refused peaceful settlement and carries on harassing activities;" China has consistently upheld peaceful settlement international disputes, consistently supported principles UN Charter on peaceful settlement international disputes, references to Bandung, Five Principles, etc. "Chinese do not want to fight with US" and Dulles said no fighting in Taiwan area between Americans and Chinese. Therefore no question ceasefire between China and US. US is

¹ Source: Department of State, Central Files, 611.93/10-555. Confidential; Niact; Limited Distribution.

² Johnson's instructions for the meeting were sent to him in telegram 823 to Geneva, October 3, which reminded him that "your basic instruction provides that no legitimate basis be given for Wang break off talks" and instructed him to press Wang strongly on the matter of implementation of the agreed announcement. It also authorized him to discuss subjects which might constitute agenda item two and their order of priority and, at his discretion, to make the presentation which had been telegraphed to him on renunciation of force. (*Ibid.*, 611.93/9-2855) This presentation was sent to Johnson in telegram 789 to Geneva, September 27 (Document 65), and telegram 86 to Prague, September 30 (see footnote 3, *ibid.*).

one using force achieve national objectives, Taiwan is Chinese territory, was restored to China World War II and yet US encroaches on and occupies and has said it will use force prevent liberation. PRC wishes discuss withdrawal all US forces from Taiwan and coastal islands. If I fully empowered discuss and settle this question he ready to do likewise. In closing referred my statement previous meeting I had faith and hope and said he shared but "we would have to strive harder and prove our desires by deeds".

4. I said I first wanted to deal with implementation. I did not want to spend time on details, did not see why it was necessary. All that was required were simple answers to my simple questions, could be disposed of in few minutes. In reply his suggestion on UK taking up questions Peiping, pointed out agreed announcement had two aspects: one, actions to be taken by our governments which were inter-governmental matters between us, and two, functions third powers. Words of agreed announcement resolved nothing, only implementation resolved questions. Some of questions I had raised also taken up by UK in Peiping but no satisfactory replies. Repeated in full three questions on whether Americans in jail informed of text announcement, their access to UK Chargé, and authority UK Chargé interview them. Said simple affirmative answers would immediately dispose of these questions here. Difficult understand why he couldn't give me simple answers, pointing out his failure to do so was what was delaying talks. Then made detailed statement pointing out none of remaining 19 yet released, could not consider this faithful implementation of announcement, PRC failure give benefit agreed announcement to imprisoned Americans makes it meaningless as far as Americans in PRC desiring return are concerned. In view of continued delay becoming more concerned over his statement September 23 meeting implying persons in jail not covered by provisions agreed announcement, could not accept any such construction and asked for confirmation all American civilians whether or not in jail covered by announcement. Could not agree to his implied interpretation our not insisting on definite time limit for release constituted agreement to indefinite delay in release. Must insist implementation agreed announcement provisions for expeditious departure all Americans who desire to return including those still imprisoned. His continued reference to improved relations as factor in release could not but be interpreted as intent disregard explicit terms of announcement and "to hold these human beings as hostages for political advantage". My government had promptly implemented announcement and had not and would not attach political conditions to carrying it out. Chinese have been and still were free to leave. Failure his government match our promptness in implementation was what was slowing progress talks. Referring his previous statements on pressure, did not see why

it was submission to pressure for PRC "to do what it publicly declared in our agreed announcement it was going to do".

5. He objected all my remarks as falling into item one and again raising matters which already discussed and settled. PRC would "faithfully carry out agreement but would not allow any distorted interpretation" of announcement. Will continue review cases but action must be accordance Chinese law. Cases will be reviewed "in light of" the agreement, degree of the offense, conduct and improvement of relations. There was then much give and take until he clarified and corrected interpretation of previous statement by saying cases Americans being reviewed "accordance" agreed announcement and, in light of discussion, I interpret as being satisfactory statement that all Americans including those in prison included within announcement. I also pressed him hard on other three questions and although his answer vague and unsatisfactory with respect to specific assurance each American in prison had been informed of announcement, reiterated previous assurances wide publicity included measures to assure every American informed. In spite continual pressure he flatly refused answer other two questions saying this not the place for discussion. After long and unsuccessful prodding I expressed hope he would assure me UK Chargé would promptly be given replies. He kept repeating he had nothing more to say.

6. I then referred to remainder his statement and said I wished to study and give detailed reply later. However I pointed out my suggestion on order of discussion of subjects was designed to contribute to orderly progress. I defined what I meant by US personnel by stating this concerned American military personnel still missing from Korean hostilities concerning whom there was reason to believe his authorities had information. Then said considered renunciation of force most important, therefore probably should be discussed first, and I would be prepared say more on subject next meeting. Then repeated arguments against higher level meeting stating nothing he had said this morning had changed my mind.

7. He replied stating question US military personnel had been fully covered at Panmunjom, no reason for raising it here, and if we did so he reserved right raise question of US accounting for personnel detained in Korean War. Repeated his arguments on higher level meeting as well as statement that if I had full authority deal with "important and outstanding questions arising in the Taiwan area" he was ready to discuss.

8. I agreed his proposal next meeting Saturday, October 8. There was then considerable argument on press communiqué, he insisting communiqué be confined to statement we had continued discuss

agenda item two, and I insisting on previous communiqué we finally agreed on simply stating we had met and give time next meeting.

[Johnson]

70. **Telegram From the Secretary of State to the Embassy in Burma** ¹

Washington, October 7, 1955—7:35 p.m.

329. Burmese Embassy transmitted letter dated September 20, 1955 from Prime Minister to Secretary in which Prime Minister requests Geneva talks be raised to level Foreign Ministers. ²

Please deliver following reply ³ to Prime Minister:

"Dear Mr. Prime Minister:

I wish to thank you for your thoughtful letter of September 20 expressing your gratification over the progress that has been made in the talks at Geneva.

The American people share the peaceful aspirations of the people of Burma. Our feeling regarding the prospects for the talks at Geneva is that further progress may be anticipated in proportion as our actions and those of the PRC create an atmosphere favorable to the development of confidence. We believe that one of the important actions which might promote a favorable atmosphere would be a fully reciprocal renunciation of the use of force in the Taiwan area in the pursuit of policy objectives. I know you appreciate the impossibility of progress in negotiations under the threat that one of the parties may resort to force. We believe that the removal of this threat should be the first order of business in our discussion at Geneva of 'other practical matters'.

A second requirement for the development of an atmosphere of confidence is that whatever undertakings are reached in the talks

¹ Source: Department of State, Central Files, 611.93/9-2055. Secret; Limit Distribution. Drafted in CA and PSA; cleared in draft by Phleger, Robertson, and Sebald; and approved and signed by Dulles.

² The letter from Prime Minister U Nu, transmitted to the Department on September 27, stated that although he thought the Chinese would find it extremely difficult to make an open avowal of any change in their attitude toward Taiwan, there were indications, such as the removal of signs calling for the liberation of Taiwan from public places in Peking, suggesting that they had abandoned the use of force to achieve their objectives. He stated that, although U.S. agreement to higher level talks might be termed capitulation or appeasement in some quarters, such an agreement by the United States could only mean an act of great generosity or magnanimity. (*Ibid.*, 611.93/9-2055) A note attached to a copy of the letter states that U Nu indicated that he would convey any reply to Chou En-lai. (*Ibid.*, Presidential Correspondence: Lot 66 D 204, Dulles-U Nu Correspondence)

³ Telegram 434 from Rangoon, October 18, reported that the message was delivered on October 14. (*Ibid.*, Central Files, 611.93/10-1855)

should be faithfully and promptly implemented. This applies specifically to the Agreed Announcement of September 10. For our own part, not only have we long since made it possible for any Chinese who wishes to return to the PRC to do so, but we have given the Indian Government full information relating to the performance of the functions undertaken by the Government of India in connection with the Agreed Announcement, and have offered the Government of India all facilities for the performance of its functions. Information about these and other measures taken by my Government in fulfillment of our obligations under the Agreed Announcement has been promptly and fully conveyed to Ambassador Wang at Geneva, in the hope that he would provide our Ambassador with similar information. So far, he has refused to do so, and the conclusion is inescapable that the PRC is, for the present, at least, failing to carry out its obligations under the Agreed Announcement. The Chargé d'Affaires of the UK has been unable to secure any information about the status of the still-detained Americans, and not a single one of the imprisoned Americans has been allowed to communicate with him. The PRC announced on September 10, and subsequently carried out, the release of ten of twenty-nine detained American civilians. Since that time the PRC has taken no action looking toward the release of the remaining nineteen of whom eighteen are imprisoned.

I am deeply disturbed, and the American people are gravely distressed, by the continued imprisonment of these eighteen Americans in the PRC and by the continued denial of exit permits to others. This lack of fulfillment by the PRC of the obligations assumed by it in the Agreed Announcement of September 10 is a most serious impediment to progress in the talks at Geneva. Indeed, if some measures are not soon forthcoming enabling the still-detained Americans expeditiously to return to the United States, it would become most difficult to credit any undertaking of the PRC on any subject. However, my Government has not reached the final conclusion that the PRC is acting in bad faith, and would reach such a conclusion only with the greatest reluctance. In answer to a question on this at my last press conference⁴ I said '... we are still holding to the belief that the Chinese Communists will carry out their agreement that all the Americans that are there are entitled to return and will be allowed expeditiously to exercise that right.' In an atmosphere of confidence engendered by such evidence of good faith fruitful discussion of other practical matters at issue will be possible.

I believe you will agree that the two Ambassadors engaged in the talks at Geneva should be entirely competent to discuss the genuine practical bilateral issues of immediate concern to my Government and that of the PRC. If either of the Ambassadors, on their level, should prove unable to furnish relevant information or discuss genuine practical issues, this would reflect the unwillingness of his Government to furnish this information or to have these questions discussed, rather than a need for a change in the level of the talks. Such unwillingness on the part of either Government would render conversations at any level pointless. I should like to stress that Am-

⁴ On October 4; the transcript is printed in Department of State *Bulletin*, October 17, 1955, pp. 604-608. Ellipsis in the source text.

bassador Johnson has my full confidence and I wish to assure you that I personally am following the talks in detail.

With cordial regards, Faithfully yours, Foster Dulles".

Dulles

71. Telegram From Ambassador U. Alexis Johnson to the Department of State ¹

Geneva, October 8, 1955—[noon?].

833. 1. This morning's meeting one hour twenty minutes. ² I led off with relatively brief but pointed statement on dissatisfaction with implementation, then made statement on renunciation of force ³ giving Wang a copy.

2. Wang then made very long, prepared statement replying my charges at last meeting on implementation, saying nothing new and rehashing old statements on item two. Alleged I had violated secrecy of talks by informing press I had raised subject missing military personnel.

3. In reply my brief rebuttal pointing out best my knowledge UK Chargé had no answers questions on implementation, replied so far as he knew no "formal" approach from UK Chargé.

4. He made brief ad lib reply our renunciation of force statement using same arguments as previous meetings.

5. I replied briefly emphasizing importance and carefully considered character our statement, made no charges against PRC, did not propose his government say anything my government not prepared to say, was made in most earnest desire contribute progress these

¹ Source: Department of State, Central Files, 611.93/10-855. Confidential; Niact; Limited Distribution. Received at 8:02 a.m. The transmission time on the source text is midnight.

² Guidance for the meeting was sent to Johnson in telegram 838 to Geneva, October 6. Johnson had proposed in telegram 817 from Geneva, October 5, shifting tactics at the next meeting by omitting all reference to implementation and concentrating on renunciation of force. Telegram 838 to Geneva rejected this suggestion but authorized him to confine his remarks on implementation to a "short but emphatic recall of total Chinese Communist non-performance since September 10" and then to present the U.S. statement on renunciation of force. It instructed him to try to arrange future meetings at least a week apart, stating that other demands on the Secretary and other senior officers of the Department were so heavy that the developments at Geneva could not be appraised and new instructions approved if meetings were held at intervals of only 3 or 4 days. (Both *ibid.*, 611.93/10-555)

³ The statement sent to Johnson in telegram 789 to Geneva, September 27 (Document 65), and telegram 86 to Prague, September 30 (see footnote 3, *ibid.*). The text is printed in Department of State *Bulletin*, January 30, 1956, pp. 166-167.

talks, and was put forward as earnest, constructive effort deal with problems he and I called upon deal with here. Asked for careful study and considered reply by his government.

6. He asked I be prepared next meeting discuss embargo. I pointed out my statement today dealt with timing discussion this subject. In reply he again rejected any concept of fixed order of discussion. I pointed out today's statement dealt with matter from important substantive aspect rather than procedural.

7. With respect allegation on leaks to press replied both he and I knew reports were not accurate, therefore clearly did not originate with me but were probably assumptions based on earlier public statements made in US even before beginning these talks. He did not pursue subject.

8. Next meeting Friday, October 14.

[Johnson]

72. Telegram From the Ambassador in the Republic of China (Rankin) to the Department of State ¹

Taipei, October 10, 1955—8 p.m.

Secun 30. From Hoover. ² Our reception on Taiwan has been most cordial and in fact hospitality at times bordered almost upon the overwhelming.

Discussions with Ministers and officials at informal and social affairs have been friendly and frank, and while of considerable value to us from background standpoint have not involved new substantive matters on which the Department is not already fully appraised but major points of interest may be briefly summarized as follows:

1. Chiang's statements and speeches during Double Ten Day celebrations heavily emphasized return to mainland though no specific time schedules were mentioned. Military parade of 20,000 men made an effective presentation of all branches of service, including armor and artillery. Evaluation of embassy personnel was that discipline and equipment were far advanced over previous years, but response to Chiang's statements regarding return to mainland seemed more tempered and less exuberant.

2. On several occasions Yu Ta-wei, Defense Minister, has talked to me at length, pointing out:

¹ Source: Department of State, Central Files, 110.12-HO/10-1055. Secret; Priority.

² Under Secretary Hoover and the Director of the International Cooperation Administration, John B. Hollister, visited the Republic of China October 8-11 in the course of a trip through several East Asian countries.

a. Greatest confidence and reliance of all branches of government in effectiveness and judgment of Admiral Pride.

b. Danger of ChiCom air build-up to Taiwan and off-shore islands. He feels ChiComs would start action possibly in near future by bombing Matsu. ChiNats would then find it "absolutely necessary" retaliate against mainland installations, which would in turn be followed by ChiCom bombing of Taiwan.

c. Necessity undertaking build-up of Kung Quan airbase on Taiwan, costing about \$25 million. Incidentally I find unanimity of opinion, both US and ChiNat, for this project which seems bogged down between Department of Defense and ICA by availability of funds. All concerned feel is least US can do to counter ChiCom air build-up on mainland, both for military and psychological reasons.

3. Admiral Pride believes ChiNats only recently have come to realize potential threat of ChiCom air build-up, and have swung too far on negative side. He sees no indication threat will be implemented in near future but does not minimize necessity for ChiNat air readiness as the most effective method of preventing overt action. It is his personal opinion, which he says is not shared by ChiNats, that ChiComs will probably take one or more of small outlying islands close to Matsu in same pattern as employed in Tachens whenever they feel necessity for a victory, or in order to punctuate a development in foreign policy or put pressure on US. He points out that within last few days they have shelled such an island lying close to Matsu, and could probably take it without much expenditure of effort.

4. Hollister and I, accompanied by Ambassador Rankin, Bowden,³ and others of my staff, had 2-hour session October 9 with Prime Minister Yui, Governor Yen,⁴ Acting Foreign Minister Shen, and Finance Minister Hsu, in which Chinese officials outlined fiscal and economic situation and discussed requests currently being presented to ICA mission⁵ for (1) additional aid of \$32 million US under FY 1956 non-project assistance program, and (2) proposed surplus agricultural commodity program for FY 1956 of US \$54 million. Of this amount US \$20 million to be financed under Section 402⁶ and \$34 million under PL 480.⁷

Governor Yen also made effective presentation of case for Shih-men multi-purpose dam project. Chinese officials also stressed un-

³ Thomas R. Bowden, Acting Director of the ICA Mission in the Republic of China.

⁴ Yen Chia-kan, Governor of Taiwan.

⁵ In letters dated October 7 from C.C. Shao, Acting Secretary General of the Council for United States Aid, to Bowden, transmitted to the Department in despatch 232 from Taipei, October 18. (Department of State, Central Files, 411.9341/10-1855)

⁶ Section 402 of the Mutual Security Act of 1954 (approved August 26, 1954; 68 Stat. 832) authorized funds to finance the export and sale for foreign currencies of surplus agricultural commodities.

⁷ The Agricultural Trade Development and Assistance Act (approved July 10, 1954; 68 Stat. 454).

warranted complexity ICA program procedures which had also been emphasized in earlier discussions by US technicians with ICA mission.

Chinese seemed confused as result conversations with Clark of Department of Agriculture regarding PL 480 and inquired what channels should be used in making application for surplus commodity assistance. I replied that usual channels should be followed, i.e., negotiations handled through Embassy here.

I made no commitment, simply complimenting Chinese on the completeness of their economic and financial presentation and said we would of course give the matter careful study.

I also discussed briefly with Governor Yen the importance we attach to the overseas Chinese and said we should be appreciative of any suggestions they might have as to ways in which overseas Chinese could be brought more effectively into whole free China operation.

I am seeing President Chiang later tonight and will report conversation separately. ⁸

Rankin

⁸ See Secun 36, *infra*.

73. Telegram From the Ambassador in the Philippines (Ferguson) to the Department of State ¹

Manila, October 11, 1955—5 p.m.

Secun 36. From Hoover. Reference Secun 30. ² At conference before dinner Oct 10 with President Chiang, he asked what subjects we wanted to discuss. I first informed him of state of President Eisenhower's health and then took up subject of Geneva Ambassadorial talks and our policy in regard thereto, assuring him in strongest possible terms we would not engage in any discussions affecting other countries without their full and equal participation. President Chiang stated that he himself understood policy perfectly, but expressed concern because the average Chinese on Taiwan, overseas and behind Iron Curtain interpret these talks as leading to recognition of the Communist regime; tending to increase the prestige of the

¹ Source: Department of State, Central Files, 110.12-HO/10-1155. Secret; Priority; Limit Distribution.

² *Supra*.

Communists and lessening prestige Chinese Govt on Taiwan. He urged especially that no higher level conferences be held. I pointed out our primary concern for American prisoners still held by Communists and fact ChiComs procrastinating in their agreement for expeditious release, which we are publicizing in comparison to our own actions toward full compliance. I further noted our strong position against higher level talks and any reduction of trade embargo. He remarked that what we hoped to gain by such talks was minor as compared with what we were sure to lose in world prestige. His conclusion: The sooner talks with Communists stopped the better for U.S. and China. He requested that his opposition to Ambassadorial talks and those proposed at higher level be brought to Secretary's attention. This of course I promised to do.

President Chiang did not think that the Secretary's recent press statements to the effect that situation in Formosa Straits had improved was warranted. I said I was not familiar with particular statements he referred to, but we were doing everything possible to eliminate activities of neutrals and intermediaries, which was also one of primary reasons for Geneva talks.

In this connection President brought up question large air base being built in Fukien obviously for bombing Taiwan. I stated that I would personally recommend completion Kung Quan base on Taiwan as counter measure upon my return to Washington.

On economic side President stated he was confused by fact that neutralist and pro-Communist countries were still receiving U.S. aid, in many cases in greater amounts than allies. He thought aid should be apportioned with anti-Communist countries receiving highest priority. Hollister pointed out necessity of advance planning and limitations on discretion imposed by Congress. He expressed appreciation U.S. economic and defense aid and was happy that defense aid now at highest point and hoped economic aid soon similarly increased.

After dinner I had opportunity ask President if he had plans for return of *Tuapse*, stating we believed it was now perhaps more of a liability than an asset. He replied that nothing was planned until at least after Geneva Conference of Foreign Ministers, where matter would be reviewed in light of world situation then existing. I then requested his appraisal of political and military situation of offshore islands. He replied briefly that (a) no change had taken place since Radford and Robertson visit, (b) his forces were continuing to improve defenses and (c) an attack could be expected at any time, although he refused to speculate on further details. Frank and cordial atmosphere prevailed at conference and large dinner in our honor

which followed. No new subjects or proposals introduced. Memo of full conversation will be forwarded from Embassy Taipei.³

Ferguson

³ The memorandum of conversation by First Secretary of Embassy Paul W. Meyer, October 17, was sent to the Department with a transmittal slip dated October 18. (Department of State, Central Files, 793.11/10-1755)

74. Telegram From the Secretary of State to Ambassador U. Alexis Johnson, at Geneva¹

Washington, October 12, 1955—7:37 p.m.

869. British Embassy reports O'Neill saw Chang Han-fu² October 10. He inquired if Americans in prison had been given full text of Agreed Announcement in language they could understand and whether detained Americans entitled communicate with him. He recapitulated what Chou En-lai had said on this at luncheon Oct. 8 (London's 54 to Geneva).³ Chang confirmed all this, but evaded O'Neill's question as to when, where and how notification was conveyed. Apparently O'Neill thought it best not to put question as to whether he would be permitted to interview Americans who believed they were encountering difficulty in departure if US wanted facts in

¹ Source: Department of State, Central Files, 611.93/10-1255. Confidential; Priority. Drafted and approved by McConaughy.

² Vice Minister of Foreign Affairs, People's Republic of China.

³ The telegram under reference, sent to the Department as telegram 1421 from London, October 10, described a conversation on October 8 between the Governor of Hong Kong, Sir Alexander Grantham, O'Neill, and Premier Chou En-lai. Chou agreed that the Taiwan situation had improved since Bandung and stated that the Chinese hoped to solve the problem by peaceful means but added that the situation might deteriorate at any time because of harassing attacks on the mainland from Taiwan. He complained of the U.S. refusal to proceed to agenda item two at Geneva, stating that all Americans in China had been given the English text of the agreed announcement and that, although Johnson had been told this, he continued asking questions on matters which should be discussed by O'Neill in Peking. O'Neill said he would soon discuss with the Vice Foreign Minister the matter of communication with him by the imprisoned Americans. Chou agreed that this was a subject which could be pursued but stated that for the 19 "criminals", the normal judicial processes must be followed and that O'Neill would be informed of the results in each case. He said that the Americans had proposed two points for discussion under item two: the need for renunciation of force as an instrument of policy, which the Chinese were prepared to discuss along with their own two points, and missing U.N. personnel from Korea, to which Chou strongly objected. When Chou referred at one point to talks at a higher level, Grantham asked whether this meant talks between himself and Dulles; Chou assented, saying that this had already been proposed by Senator George. (Department of State, Central Files, 611.93/10-1055)

any such case investigated. Chang said he would like to hear O'Neill's view on interpretation of Agreement in respect to questions put by O'Neill. O'Neill said he thought it meant that Americans in prison were entitled to communicate with him or to have access by receiving visits or other means. Chang then proceeded to rehearse generally Chinese case (review of cases one by one communication of results to O'Neill, etc). Said PRC would consider questions O'Neill had put and would let him have answer. They might then discuss situation further. O'Neill said he hoped he would have answer soon.

O'Neill says he got impression though it might not be worth much that he would not get entirely negative reply. Chang repeated O'Neill's reference to visits to prisoners without brushing it aside and as though it might be feasible. He asked whether O'Neill had any further questions to put and seemed almost surprised that O'Neill did not have any. O'Neill adds in view of this it might be desirable that at next interview he should put some further questions if Americans so desire depending of course on manner in which interview develops. O'Neill suggests that he might ask for example on instructions how many of 19 have been tried already and what their sentences are. He adds that he realizes State Department may perhaps feel this would also be open to objection of accepting principle of trial before release. O'Neill remarks Americans may have been given this information at Geneva already in which case he would be grateful to have it.

Dulles

75. **Telegram From the Secretary of State to Ambassador U. Alexis Johnson, at Geneva**¹

Washington, October 12, 1955—7:37 p.m.

870. Guidance for 21st meeting October 14.

1. You should again place on record US dissatisfaction with continued Chinese Communist non-implementation Agreed Announcement. Recall that approximately five weeks have passed since Agreed Announcement issued, with no action on remaining detained Americans. The Americans have not been allowed exercise expeditiously their right to return, a right expressly recognized by PRC in Agreed Announcement. PRC has not carried out its publicly assumed obliga-

¹ Source: Department of State, Central Files, 611.93/10-1255. Secret; Priority; Limit Distribution. Drafted by McConaughy, cleared by Phleger and Sebald, and approved for transmission by Robertson.

tion adopt measures necessary to enable Americans exercise their right. No detained American, so far as US Government can ascertain, has yet been allowed see British Chargé Peiping or any other British diplomatic or consular representative. British Chargé has been unable perform any function whatever under Agreed Announcement. British Chargé has been given no information other than statement that all Americans have been informed of Agreed Announcement. His request for particulars as to when, where and how imprisoned Americans were notified has not been answered.

October 12 news release attributed to *Peoples' Daily* alleging that "the Chinese side is faithfully carrying out the Agreement" appears to represent attempt cover up PRC non-compliance by directing attention to 47 Americans who have not applied for exit permits "who can leave China at any time". The Agreed Announcement deals with those who want to leave, not those who do not. Implication in later paragraph this news release that Agreed Announcement provides for examination case of Americans, one by one, is not supported by language of Announcement. US Government can only conclude that PRC is deliberately misleading public as to its obligations and actions under Agreed Announcement.

Record shows that PRC so far has evaded rather than implemented requirements of Agreed Announcement. US Government bound to take increasingly serious view PRC failure implement provisions Agreed Announcement if this failure should be further protracted.

2. Department will send you for possible introduction at later meeting text draft parallel declarations renouncing use of force particularly in Taiwan area. If Wang adopts anticipated line that Taiwan is domestic issue and only necessity is that US forces withdraw from Taiwan area you may wish reply along following general line:

"US and PRC views status Taiwan and US relationship to area differ sharply. Immediate and urgent problem is not attempt reconcile these views, but remove danger of resort to force which might provoke international conflict. It is impossible freely negotiate under threat of force. Only if this threat removed is there any hope of constructive solution of basic political problems."

3. You are given discretion as to whether you should make presentation on unaccounted for military personnel at 21st meeting. Essential that this presentation be made at some point.

4. While Department does not insist on rigid adherence fixed order agenda items under Point 2, it is US position that there is no basis for constructive exchange views on trade embargo question while threat of use of military force by PRC remains. Hence, there is no point in discussing this issue in absence renunciation use force by PRC. It is believed postponement discussion this item should be put

on this practical basis. In taking this position, however, you need not object to Wang presentation this item.

5. While it would be our purpose to avoid any discussion of the embargo item until after we have gotten some positive assurances about renunciation of force, you are authorized, if you deem it necessary to keep conversations going, to indicate that we recognize that the formulation of declaration on renunciation of force is a matter of delicacy which would require considerable thought and that while any positive conclusion on the matter of trade would inherently have to depend greatly on the Chicom response on renunciation of force, nevertheless while the Chicoms are considering the renunciation of force matter we would be willing to hear their views about trade, particularly:

- (1) Are they referring to the US total ban on Chicom trade?
- (2) Are they referring to restrictions on strategic materials as administered by CHINCOM?
- (3) Are they proposing modification of UN resolution adopted during Korean War? ²

Dulles

² McConaughy wrote to Johnson in letter No. 19, October 14, that numbered paragraph 5 was drafted by Secretary Dulles. McConaughy commented:

"There seems to be a good chance that we can get some negotiating value from drawing the Chinese Communists out as to just what aspects of the so-called 'embargo' they are complaining about. We are troubled by the pressure from the British and the French, and to a much lesser extent the Japanese, for relaxing the COCOM controls and abolishing the differential altogether between CHINCOM and COCOM. . . . It is clear that it would be very poor tactics for us to throw away our China control cards now without getting anything in return." (*Ibid.*, Geneva Talks Files: Lot 72 D 415, Geneva—Correspondence Re US-PRC, 1955-1956)

76. Telegram From the Ambassador in the Republic of China (Rankin) to the Department of State ¹

Taipei, October 13, 1955—4 p.m.

325. President Chiang asked me to see him late yesterday and asked what I had learned in Washington that he should know.

¹ Source: Department of State, Central Files, 793.5-MSP/10-1355. Secret. Passed to the Department of Defense and CINCPAC at the Embassy's request.

Replying I assumed he had heard from Minister Yeh and Ambassador Koo about talk with Admiral Radford October 3.² He said no and I outlined once more scheme of 21 regular MDAP supported infantry divisions plus 9 reserve divisions, each of latter to receive one month's training yearly using in turn "tailored" equipment of one division. I regretted matter had dragged along so many months without final settlement of points at issue. I asked that he press Defense Ministry to reach early agreement with MAAG soon as possible and he indicated he would do so. (I sincerely hope that delay in determining final Defense position as mentioned joint State-Defense message 080053Z³ will be resolved quickly without introducing further complications.)⁴

Re Geneva talks I told President I had been reassured by what I had learned in Washington, and then pursued same line as Under Secretary on October 10 in explaining once more why we were continuing these talks.

General discussion followed and President took issue with nothing I had said as outlined above.

Rankin

² Reference is to a luncheon conversation at which Rankin was present; it was recorded in a memorandum by Radford's Special Assistant, Rear Admiral Truman J. Hedding, which reads in part as follows:

"Admiral Radford also stated that our objective is to equip the 21 regular divisions and to provide tailored training equipment for one division for the training of the 9 reserve divisions. Ambassador Koo asked that if equipment goes to the 21 regular divisions, how about equipment for the reserve divisions. Admiral Radford replied that this was a subject for negotiation. Dr. Yeh said he understood this thoroughly." (JCS Records, CJCS 091 China (Apr.-Dec. 1955))

³ Transmitted in telegram DEF 990025 from OSD to the Embassy in Taipei, October 7, which stated that details concerning the reserve program were still under consideration. (Department of State, CA Files: Lot 59 D 110, US Aid to Nationalist China)

⁴ A joint State-Defense-ICA message, transmitted in telegram DEF 990844 from OSD to the Embassy in Taipei, October 22, set forth the U.S. position: the Defense Department would assist in maintaining the nine-division reserve program, with material support limited to one "tailored" set of equipment which was to be drawn from that in the hands of nonsupported units. In return the Chinese should agree "to inactivate non-force basis units, to recover MDAP equipment from non-supported units, including equipment which may have been given to reserve divisions other than the base division, and to re-issue it to supported units, to maintain approved force basis units at full effective strength to include providing an adequate replacement system, to make proper use of inducted recruits, and to implement a sound program for the removal of ineffectives from ChiNat military rolls." (*Ibid.*, Central Files, 793.5-MSF/10-2255)

A proposed agreement was prepared by representatives of the MAAG and the Chinese Defense Ministry; a joint State-Defense-ICA message, transmitted in telegram DEF 994350 from OSD to CINCPAC, December 23, authorized the signature of the agreement, despite the fact that it did not fully comply with the principles laid down in telegram DEF 990844, and instructed CINCPAC to "exert every effort, during the detailed development of the reserve forces program, to obtain progressively increased acceptance by the GRC of these principles." (*Ibid.*)

77. **Telegram From Ambassador U. Alexis Johnson to the Department of State** ¹

Geneva, October 14, 1955—1 p.m.

865. 1. One hour forty minute meeting this morning. Wang opened with long prepared statement dealing exclusively with my last week's statement on renunciation of force. While relatively mild in tone consisted almost entirely rehash previous positions. Said key to situation was withdrawal US forces from Taiwan. Our proposal was "abuse of principle non-recourse to force". "Are you willing to discuss question withdrawal US forces from Taiwan?" Liberation Taiwan "cannot be made subject present talks".

2. I replied with statement on implementation along lines Deptel 870 ² and then expressed disappointment lack of responsiveness his statement our proposal. I then made statement using material latter portion para 2 Deptel 870 and pertinent material previous statement on renunciation force. There was then some give and take during which both of us largely reiterated previous statements. However he did not challenge my statement that I hoped I could interpret his remarks as meaning he did not entirely reject our proposal. Towards end he gave me opening which I used to close on theme of implementation.

3. At close I proposed normal schedule weekly meetings and he agreed subject next meeting being Thursday. Understanding is subsequent meetings will be on Thursdays.

4. Am departing for Prague tomorrow morning returning Tuesday. ³

[Johnson]

¹ Source: Department of State, Central Files, 611.93/10-1455. Confidential; Niact; Limited Distribution.

² Document 75.

³ Johnson commented in telegram 867 from Geneva, October 14:

"Notable aspect today's meeting was Wang's willingness discuss exclusively, albeit negatively, our renunciation of force proposal. He made no effort whatever force any discussion either of his items and his reaction to my renewed discussion of implementation was very mild. In fact as will be seen from full meeting record, during give and take he perhaps somewhat inadvertently gave U.S. credit for full implementation agreed announcement. He also readily agreed to my proposal for normally weekly meetings. His manner and tone of delivery of his opening statement was also mild and again full record of meeting prepared on basis his interpreter's translation give somewhat harder impression than original Chinese." (Department of State, Central Files, 611.93/10-1455)

78. Memorandum of a Conversation, Department of State,
Washington, October 15, 1955 ¹

SUBJECT

Various International Questions ²

PARTICIPANTS

The Secretary

V. K. Krishna Menon, Head of Indian Delegation to the General Assembly

Ambassador G. L. Mehta

Mr. J. Jefferson Jones, III

.

The Secretary said that the Geneva talks were not going particularly well. We had reached an agreement with the Chinese Communists in Geneva that the 19 Americans still held as prisoners in China would be expeditiously permitted to exercise their right to return. They had not yet been released and were, in fact, being held as political hostages. The Chinese Communists' action in this matter raised the question of their good faith.

Mr. Menon commented that the Indians had kept in touch with the Chinese Communists. He felt that there had been a deterioration in the situation recently. The Secretary replied that there had certainly been a deterioration from the point of view of our side, as we were reaching the conclusion that the promises made by the Chinese Communists were not reliable. We had agreed to discuss "other matters" with the Chinese Communists in the Geneva talks. Under this item of the agenda, however, the Chinese Communists had not brought up any substantive matter, only that of a meeting between the Secretary and Mr. Chou En-lai. Mr. Menon interjected that he thought that direct talks between the Secretary and Chou would be useful. It was the only way to settle outstanding issues affecting both countries. The Secretary said that it had not been easy for the United States to hold the talks at the present level. It had had a bad effect on our relations with the Republic of China. We had agreed to discuss differences. The Chinese Communists wanted to discuss holding

¹ Source: Department of State, Central Files, 611.91/10-1555. Secret. Extract. Drafted by Jones.

² The conversation touched on a variety of subjects. The only reference to China in the memorandum of conversation, apart from the portion here printed, occurred during discussion of the problem of disarmament. Secretary Dulles said that while it was true that the United States had strategic airbases in other countries, the Soviet Union undoubtedly had bases in the countries of Eastern Europe, and, moreover, "it could put forces in Communist China. Mr. Menon said that he was not certain that it could do this. The Secretary said that Mr. Menon might be correct, but that he thought that the Russians could put forces in Communist China."

a conference at a higher level to discuss differences. This did not seem to be an effective means of making progress in talks.

The Chinese Communists had raised the question of the embargo on imports into Communist China. We had raised the question of United Nations soldiers missing in the Korean war. Although our raising of this issue seems to have been considered provocative by the Chinese Communists, we did not so intend it. We merely want whatever information the Chinese Communists could furnish with respect to the missing people, mainly in order to clear our records and inform the families of the missing persons. Such a procedure is normal and in accordance with the Geneva Convention.

The second question which we had raised was the renunciation of force in the Formosa area. This was directly related with the question of the economic embargo of Communist China. It would obviously affect our position with respect to the blockade if we knew whether the Chinese Communists wanted to use commodities imported for a war or for peaceful means. As he had stated to Mr. Menon in a previous conversation, the Chinese Communists say that Formosa is a part of China. However, the Korean Government maintains that North Korea is a part of Korea; the Indians maintain that Goa is a part of India. (Mr. Menon interjected to say that Goa was a part of India.) The Secretary continued that in what he considered to be "a lofty move" the Indians had renounced the use of force in connection with Goa. He thought that the Chinese Communists might in the same way renounce the use of force in the Formosa area.

Mr. Menon referred to recent reports that the Chinese Communists were willing to let forty-seven Americans leave China. The Secretary said that many of these were "turncoats". They did not want to come back and we did not want them to come back. Some of them, he thought, were Americans in name only; many were in reality expatriates. He wished to make a clear distinction between these and the 19 imprisoned Americans who wanted to come back, but who were being prevented from doing so by the Chinese Communists.

The Secretary expressed the hope that the Chinese situation would work out. While his recent speeches had not yet been "cheered" by the Chinese Communists, he had thrown out the suggestion in several of these speeches that the Chinese Communists seemed to be changing. It was a slow process, but there was at least ground for hope that the Chinese Communists might gradually become convinced of the desirability of using peaceful means to settle their international disputes. Mr. Menon said that the only objective of India in connection with this problem was to try to be helpful. The Secretary replied that India has been and can be in the future very useful. He suggested that Mr. Menon see if he could get

the 19 imprisoned Americans out of Communist China. Their continued imprisonment raised the question of the good faith of the Chinese Communists. He understood O'Neill, the British Chargé in Peking, had held some talks with the Chinese Communists regarding the prisoners.

Mr. Menon said that the Chinese Communists had to put the prisoners through the necessary legal processes before they could be released. The Secretary responded that he realized that the Chinese had to save face. He had no objection to their carrying out their own legal processes in the release of the prisoners. However, he thought that they should honestly go through these processes and not hold these prisoners as political hostages. Mr. Menon expressed the opinion that the crux of the matter was that the Chinese situation should not be permitted to blow up in violence. The Formosa question should be settled by negotiation and not by force. He himself had not ruled out the possibility of talks between Chiang Kai-shek and the Chinese Communists. He emphasized that he did not wish to pursue this question too forcefully; he did not wish to distract the Secretary's mind from the all important task of preparing for the Geneva Conference.

.

**79. Memorandum of a Telephone Conversation Between
Assistant Secretary of State for Far Eastern Affairs
Robertson and Senator Knowland, Washington, October
19, 1955¹**

SUBJECT

Johnson-Wang Talks in Geneva

Senator Knowland telephoned from California this afternoon to express his surprise over the press reports of the Secretary's press conference yesterday.²

¹ Source: Department of State, Central Files, 611.93/10-1955. Drafted by Robertson.

² Secretary Dulles stated at his October 18 press conference that, while the United States reserved the right "to reopen item one at any time if it does not seem that the agreement is being carried out in good faith", Ambassadors Johnson and Wang had begun substantive discussions under agenda item two and that "the question of re-

Continued

He stated he had understood that we would not enter into any substantive discussions of subjects under Item 2 of the Agenda until we were satisfied that the implementation of the September 10th announcement had been initiated in good faith. He was concerned that we had apparently abandoned our firm position. I explained to him that we had not abandoned Item 1 and would not do so until the last civilian had been released. Furthermore that while both sides had listed subjects to be discussed under Item 2, the only substantive discussion which had taken place concerned the renunciation of force, to which the Communists incidentally take violent exception. In other words, discussing the renunciation of force in no way represented a weakening of our position or a concession to the Communists viewpoint.

Senator Knowland said that in a speech today before a luncheon meeting in California he expected to take the position that we should not have any discussions under Item 2 of the Agenda until "the 19 Americans rotting in Communist jails have been released". He asked that I inform the Secretary of our conversation on his return from Denver.³

nunciation of force has been discussed and the question of trade embargo is to be discussed." For a transcript of the press conference, see Department of State *Bulletin*, October 31, 1955, pp. 687-690.

³ The Secretary was in Denver to consult with the President before his departure for the Foreign Ministers Conference in Geneva.

80. Telegram From the Ambassador in the Republic of China (Rankin) to the Department of State¹

Taipei, October 20, 1955—7 p.m.

347. Taipei's 905 June² and 334.³ First engagement between GRC and Communist jet aircraft along China coast October 15 presumably more or less accidental but provides useful occasion for assessment of probabilities. Obviously no one can predict future in

¹ Source: Department of State, Central Files, 793.00/10-2055. Secret. Received at 10:28 a.m. Passed to CINCPAC for information at the Embassy's request.

² Telegram 905 from Taipei, June 15, urged the approval of preliminary funds for the construction of an airbase at Kung Kuan. (*Ibid.*, 711.56393/6-1555)

³ Telegram 334 from Taipei, October 17, reported that, on October 15, four Nationalist F-86 planes on a reconnaissance flight about 40 miles off the coast opposite Wenchow had been intercepted by four or more MIG-15 planes and had shot down one. (*Ibid.*, 793.00/10-1755)

detail and accidents can happen any time. But based upon what is known in Taipei of Red capabilities, activities and policies, following courses of action appear not improbable:

1. Communists will maintain varying degrees of tension in Formosa Strait by such means as occasional shelling of Kinmen and Matsu and by gradual increase of air activity. Purposes will include promotion of friction between US and its Western and Asian allies including GRC.

2. While Reds are capable of assembling forces for larger scale assault on offshore islands in relatively short time, no evidence exists of active preparation for such attack. This appears support opinion long held by Embassy that attack on scale sufficient to promise Red success probably would be undertaken only as part of wider operations or as result of what they interpret as significant weakening of US position consequent undermining of GRC determination to resist. Communists presumably believe islands will fall in their laps eventually without heavy losses which would be involved in direct assault under present conditions.

3. Meanwhile Reds will continue systematic development of airfields and related facilities in South China until they are in position assume control of air over Formosa Strait. Some US military experts believe they could do this today with difficulty but at present relative rates of development on their side and ours they will be in much better position by next summer.

4. Assumption of air control over strait will be undertaken by Communists with due care to avoid clash with US forces such as to provoke atomic retaliation against Red airfields which probably alone could deal with ChiCom air power comprehensively and effectively under present conditions. Multiplication of Red flights over strait, wearing down of GRC Air Force and Navy, interference with supply of offshore islands, feints against Taiwan itself and consequent possible withdrawal of US air and surface patrols from strait in effort avoid incidents, would prepare ground and atmosphere for next step.

5. This probably would be another international conference to "relieve tension" at which Reds would enjoy substantial benefit of their new air strength in Taiwan area. Influential element in US and Western Europe could be counted on to revive all of arguments so far advanced for abandonment of Kinmen and Matsu but this time applied to Taiwan itself. Latter would have become "indefensible" with loss of air control over strait and even if US remained firm, position of GRC would have been further and gravely undermined politically and militarily.

6. Meanwhile Communists will keep US attention focused on offshore islands—representing very incidental part of larger picture and one for which no satisfactory direct solution exists—thereby inducing sense of futility in US attitude toward Taiwan and Free China.

As seen from Taiwan, indispensable courses of action on part of US to meet above situation for immediate and foreseeable future include:

a. Maintenance of decisive atomic air superiority in China area without which success of US policy can not be expected even though this power may not be used.

b. Development of GRC defenses, both in air and on ground, with maximum rapidity and to maximum extent practicable.

c. Provision of adequate air base facilities at earliest possible date to accommodate USAF combat units when deployed on Taiwan. (Current plans call for 7 fighter squadrons in case of need but there are no adequate places to accommodate them; hence urgent need for Kung Kuan Airbase.) Steps b and c appear most promising deterrents to Reds' undertaking dispute air control over strait.

d. Maintenance of US position toward Red China which neither it nor others can regard as other than firm and devoid of any inclination toward appeasement.

Rankin

81. Telegram From Ambassador U. Alexis Johnson to the Department of State ¹

Geneva, October 20, 1955—1 p.m.

910. 1. Two hour twenty minute meeting this morning, somewhat over hour of which devoted to implementation.

2. I made prepared statement along lines para one Deptel 914 ² and including info on O'Neill's inability perform functions contained Deptel 933. ³

3. During considerable give and take in which he said nothing new, I strongly stressed to Wang increasing seriousness present situation, increasingly unfavorable effect it would have on other aspects these talks, referred to increasingly hard tone American press and read portion of letter I had received from mother of Father Houle. ⁴ Theme was Americans believe announcement meant what it said and as time passes with no results in this our first common public act, he must expect strong reaction. Conviction 19 being held for political

¹ Source: Department of State, Central Files, 611.93/10-2055. Confidential; Niact; Limited Distribution. Received at 10:33 a.m.

² Telegram 914 to Geneva, October 18, transmitted to Johnson Department guidance for the October 20 meeting. The first paragraph instructed him to stress again emphatically U.S. dissatisfaction with the PRC failure to implement the agreed announcement. (*Ibid.*, 611.93/10-1855)

³ Telegram 933 to Geneva, October 19, informed Johnson that O'Neill still had no word from the PRC Foreign Office on the implementation of the agreed announcement, nor had he had any communication from or contact with any imprisoned American. (*Ibid.*, 611.93/10-1955)

⁴ The Reverend John Alexander Houle, a Catholic missionary imprisoned in June 1953.

purposes strengthened by continued reference PRC public statements on "improvement of relations" as factor in timing release. Believe I was successful in some degree impressing on him seriousness with which we view situation.

4. I then made prepared statement on renunciation of force along lines paras 2 and 3 Deptel 914.⁵ Wang replied with short prepared statement to effect our proposal was abuse non-recourse to force principle in international relations to prevent their exercise of sovereign rights in Taiwan, Taiwan was domestic problem, discussion inadmissible in scope these talks and mere statement principle cannot resolve tension in Taiwan area. Deeds, that is US withdrawal from Taiwan, required. Repeated theme "circumstances permitting Chinese government willing to strive for liberation Taiwan by peaceful means". In give and take he regularly spoke of "American invasion and armed occupation of Taiwan". Rejected any parallel between Taiwan situation and other divided countries. PRC "will never recognize status quo".

5. I ignored challenge our policy and kept coming back to theme first and fundamental step was non-recourse to force declaration to which his reiterated reply was withdrawal US forces in implementation US acceptance of principle non-recourse to force or threat of force.

6. Next meeting Thursday October 27.

7. I am departing for Prague Saturday returning Geneva Tuesday.

[Johnson]

⁵ The paragraphs under reference read as follows:

"2. At last meeting Wang introduced subjects such as status Taiwan and presence US forces in area on which US and PRC hold different views. These not subjects which can be usefully discussed under present conditions. Remind Wang that fundamental and pressing need is for both parties renounce use force so as to remove threat of war. Whenever Wang attempts divert discussion to other topics you should endeavor bring it back to this simple basic proposition.

"3. With reference Wang's demand that US withdraw its forces from Taiwan area you should point out that this is in effect a demand that US change its policy and abandon those whom it has pledged to defend from attack, under threat that armed force will be used if US does not accede to that demand. US does not intend yield to threat of force. Force is not an admissible means settling differences between us. US is not demanding that PRC alter its views and objectives. We only ask that both sides declare their willingness renounce force. Then and only then can differences be freely discussed."

82. Letter From Ambassador U. Alexis Johnson to the Director of the Office of Chinese Affairs (McConaughy) ¹

Letter No. 14

Geneva, October 21, 1955.

DEAR WALTER: I do not know when this letter will reach you but I hope that it may be of some value in contributing to your more long range thinking back there. It is very much in the nature of "thinking aloud" and represents distillation of many "bull sessions" we have had here on the subject.

We have now for several meetings discussed primarily renunciation of force. One of the things about which we have been puzzling is why Wang has been so willing to drop his subjects and at least talk around our subject. One theory, which I set forth in my telegram 924 ² of today, is that they are willing to see the talks kept going either more or less indefinitely or at least through the Foreign Ministers' Conference and do not desire to take any steps that would tend to bring matters to a head.

Another theory we have been discussing since I sent my telegram is that they see in this subject possibility of pressing their undoubted desire for the withdrawal of our forces from the Taiwan area within such a framework, whereas they full well realize that its introduction as a subject by them would have been rejected by us as outside the scope of these talks.

This leads me to an attempt to analyze what their thinking may be with respect to our renunciation of force proposal. Despite its surface appearances, I believe the Chinese Communists may well view the proposal as very unequal from their standpoint. They may well feel that it would require them to make substantial political concessions while we are making virtually none.

It would not increase the assurances which they now have from us against military attack contained in our treaty with the GRC, our general obligations under the UN Charter and our public statements. At the same time we would continue to maintain in close proximity to them our present heavy preponderance of air and sea power.

Also, the Chinese Communists may estimate that such a declaration would carry with it for them the following other disadvantages:

a) It would carry with it a tacit acknowledgment of the existence of the GRC far more than any other act they have thus far taken. The PRC is in a much stronger international position than any of the rump Communist governments in other divided countries which for the most part have no status outside the Communist bloc. The tacit

¹ Source: Department of State, Geneva Talks Files: Lot 72 D 415, Geneva—Correspondence Re US-PRC, 1955-1956. Secret; Official-Informal.

² Not printed. (*Ibid.*, Central Files, 611.93/10-2155)

recognition that a no force declaration would give to the status quo, and the GRC as a government which claims sovereignty over all of China and is recognized by most free world countries, would greatly weaken the PRC claim as the only government of China and the government entitled to occupy China's seat in the UN.

b) The renunciation of force declaration by the PRC would virtually eliminate the possibility of its obtaining even the offshore islands in the foreseeable future. PRC estimates that there is a good possibility it could attack those islands without too serious risk of U.S. intervention and without serious political loss. It also estimates that if the U.S. were to intervene to prevent capture of the offshore islands and any considerable hostilities should develop therefrom, the PRC would have considerable political support in Asia as well as elsewhere, while the U.S. would tend to become politically isolated on this issue.

c) The renunciation of force declaration would be interpreted in Taiwan and by the overseas Chinese as an acceptance of the status quo by the PRC and would, therefore, greatly increase the difficulties of PRC subversion of Taiwan and decrease PRC influence among overseas Chinese.

c) [*sic*] Such a bilateral declaration would not bind the GRC or bring about any cessation of GRC harassment of the mainland and shipping destined for the PRC.

The only factors that I perceive that might move them toward making such a declaration are the following:

a) It would contribute to their current diplomatic peace offensive.

b) It would increase pressure on U.S. to agree to a higher level meeting and, in turn, speed up relaxation of trade controls, membership in the UN, etc.

c) If they genuinely fear that the U.S. intends to put Chiang back on the mainland, they would enter into the declaration in the hope that it would tie our hands.

d) They could use such declaration to bring pressure on us to restrain GRC from its harassing tactics.

None of the foregoing points seems very persuasive to me from their standpoint, and I doubt if they outweigh what they consider to be the disadvantages. My estimate of the situation at present is that I see little or no possibility of their entering into such a declaration unless it were accompanied by the withdrawal of our forces from Taiwan or, much less likely, a firm commitment to a Foreign Ministers' meeting. I would not even be sure that they would enter into it even if both things were done. I am also not sure where Quemoy and Matsu might fit in. I certainly thus far have not perceived any support for the oft repeated thesis that a ceasefire could be obtained in the Formosa Strait if Matsu and Quemoy were turned over to them. However, by stretching things a bit, one might be able to read into Wang's remarks thus far that they would be willing to agree to

renunciation of force declaration in exchange for withdrawal of U.S. forces from Taiwan. He has never defined or been specific about this. I am not sure whether he is talking just about the air unit which we have stationed there, which is, I understand, our only tactical unit on the island, or whether he is talking about the whole complex of the MAAG and the Seventh Fleet.

It might be, as indicated in my today's telegram, that they are willing to keep these talks going indefinitely as an alternative to making decisions on these problems which are even more difficult for them than for us. However, it is too early to come to any firm conclusion on this.

I am not sure where all of this leads us but simply wanted fully to share with you some of our talk on the subject. If the opportunity arises, I hope to talk some of these things through with the Secretary while he is here, but before doing so would appreciate having FE reactions to some of these hypotheses.³

Sincerely,

Alex

U. Alexis Johnson

P.S. In case you haven't seen it, I thought you would be amused at the enclosed FBIS.⁴ You should have somebody get out the original *New York Times* story to which it refers.

³ McCaughy commented in letter No. 22 to Johnson, October 29: "Your No. 14 successfully visualizes the issues as the Chinese Communists probably see them. Your analysis seems to us generally valid. It casts a rather novel and revealing light on various aspects of the renunciation of force question. We would depart from your analysis only in giving more weight to the attraction of the 'renunciation of force' item to the PRC which stems from their capability to exploit it for their own purposes by espousing a perverted but rather plausible form of renunciation of force declaration. Admittedly we have the benefit of hindsight in making this observation. Mr. Robertson commented after reading the letter that your exposition of the probable Chinese Communist reasoning constituted the best possible reinforcement of the argument for pressing vigorously our demand for a bona fide renunciation of force declaration, with specific inclusion of the area of Taiwan." (*Ibid.*, Geneva Talks Files: Lot 72 D 415, Geneva—Correspondence Re US-PRC, 1955-1956)

⁴ Not attached to the source text.

83. Despatch From the Ambassador in the Republic of China (Rankin) to the Department of State ¹

No. 252

Taipei, October 21, 1955.

SUBJECT

Status of Relations with China

Ambassador Rankin having returned to Taipei on October 8 ² and resumed charge of the Embassy, it seems opportune to attempt to assess the status of our relations with the Government of the Republic of China. It is the impression of the Reporting Officer that a deterioration of those relations occurred during the summer. If so, the fault can scarcely lie entirely with the Chinese, and it seems appropriate to review these events to ascertain precisely what did occur, what might have been done differently, and prospects for the future.

Overall Situation

As for the overall situation, some observers of the local scene believe that the cordiality of Chinese-American relations began to lose its fresh bloom approximately a year ago. While most senior officials, and most thinking Chinese, had at least subconsciously realized that the United States was not going to assist the Chinese Government in its objective of return to the mainland under present conditions, this feeling had been unmentioned, inchoate, and intangible. The signing of the Mutual Defense Treaty, however, brought the facts into focus, and made it clear that we were not willing to accept this objective, nor to commit ourselves to support it in writing. Our failure—indeed our refusal—to include such a commitment in the Treaty itself made our reluctance only too evident. It thus began to become more widely apparent that Chinese and American policies were beginning to diverge.

It is not startling that such a divergence of interests should occur; such a development was in fact inevitable. As was mentioned in the final paragraph of the Embassy's secret despatch number 399 of February 3, 1953, ³ the basic decision was whether Formosa should be considered simply a strategically important island which should be denied to the Communists, or an important factor which

¹ Source: Department of State, Central Files, 611.93/10-2155. Secret. Drafted by Cochran. A note on the source text reads: "Distribution limited to Department of State."

² Rankin was on home leave June 21–October 8.

³ Portions of despatch 399, including the final paragraph, are printed in Karl Lott Rankin, *China Assignment* (Seattle: University of Washington Press, 1964), pp. 150–154. (Department of State, Central Files, 793.00/2-353)

could be helped to play a significant part in the eventual liberation of mainland China from Communist rule. Emphasis on the latter possibility would bring Chinese and American policies more closely into line. The trend of today, however, at least on the surface—with references to a renunciation of the use of force in the Formosa Strait, to the new “Geneva atmosphere”, etc., seems more toward the former alternative, which is not and cannot be acceptable to the present Government of the Republic of China.

Furthermore, the tides of history seem to be ebbing slowly away from, and even turning against, the Nationalist Government. More and more countries are moving towards recognition of the Peking regime, not only Arab countries like Syria, but also—apparently—Canada, Belgium, France and Italy.

If the United States is not to be left in isolation, it will have to make some concessions to these developments, in the next few years, however unwelcome the changes may be to our own people and principles. And any such steps toward accommodation with the Chinese Communists are bound to widen the small gap which is already visible between us and the Nationalist Government on Taiwan.

Military Aspects

This incipient tendency toward a split took on both practical form and urgency, in mid-summer 1955, primarily because of developments in the military field. First, the three senior officers of MAAG were replaced simultaneously, with a loss of continuity and of the personal relationships so important in China. Second, the atmosphere in the Pentagon underwent a change and hardened, judged by communications received in Taipei. Third, the nine-reserve-division plan was approved by the Joint Chiefs of Staff only with certain changes which turned out to be highly unpalatable to the Chinese. This chain of events built up into the primary source of friction with the Chinese Government; but there were other contributing factors in both the military and economic fields, as will be mentioned.

[Here follows a detailed discussion of the three developments.]

The Geneva Conference, and Talks

Another evidence of diverging national policies came with the announcement of the top level Geneva conference. The Chinese complaints usually centered around fears that China was being subjected, or was about to be subjected, to another Yalta “sell-out” (as the Chinese consider it). However, after some initial grumbling this development was accepted with fairly good grace.

When, however, at the end of the Summit meeting, it was announced that the United States was to conduct conversations with the Red Chinese at the Ambassadorial level, Chinese indignation

became acute. Here was further evidence of a basic divergency in policy. Any conversations with the Red Chinese gave them prestige and indicated their acceptance as a member of the international family. These could only be gained by Communist China at the expense of Nationalist China. The press editorials became more and more bitterly resentful, despite the assurances in advance which had been given to the Chinese Foreign Minister, and later announced publicly, that we would not at Geneva discuss anything contrary to the rights, claims or interests of the Nationalist Government, but would limit ourselves to matters of bilateral interest. The newspaper campaign became shriller and shriller till at last the Foreign Minister himself asked the American Chargé d'Affaires to hold a press conference and try to calm public indignation. This was done and while it occasioned one critical editorial in Hong Kong, it seemed to have the desired effect locally. Criticism continued, but became less emotional. Suspicion also persisted, although there were also professions of confidence in America's fulfillment of its oral promises. Nevertheless, many Chinese continued to feel that the United States had again sold China down the river; or was about to do so. (This attitude of uncertainty still exists.)

This was the main stream of developments which tended to sour Chinese-American relations during the summer of 1955. However, there were a number of contributory streams, both military and civilian, which fed the main river of events. The military influences included the occurrences at the Peitou military conference, the effort to have the 70,000 ineffectives removed from the Chinese armed forces and placed on the FOA (later ICA) payroll; and possibly the Sun Li-jen case. These are treated in detail below.

[Here follows a detailed discussion of military and economic contributing factors.]

Symptoms

These were the factors and developments which contributed to the deterioration of relations. The symptoms which appear to establish that such a deterioration has taken place, are almost too numerous to mention. They fall, of course, in both the civilian and military fields. In the military field, MAAG advice has been increasingly ignored. The military budget was approved with insufficient regard to MAAG's recommendations. When it was reviewed in an attempt to make reductions, MAAG found places where approximately NT\$127 million could be cut. These matters came before the 59th meeting of the Economic Stabilization Board and apparently too much frankness crept into the preparation and translation of the papers, for one of them bore the notation that three items of expenditure, totaling

NT\$14 million, had been approved by the Executive Yuan and would be made "with or without MAAG agreement."

Naturally, MAAG advice is not always going to be accepted; it is only advice. At the same time, if all or the great majority of MAAG's advice is either rejected, ignored, or sabotaged in fact, then it can scarcely be denied that our relations with the Chinese Government have deteriorated from the level of loyal and free cooperation which previously existed. A number of responsible MAAG officers have expressed themselves in private as believing this to be the case. The Chinese G-3 who worked in close collaboration with the Americans of the Army Section MAAG suddenly disappeared. MAAG inquiries elicited the fact that he had been transferred, but there was no indication as to where he had gone or why he had been moved. His replacement either speaks no English or has been instructed not to carry on his business in that language.

Officials of the ICA Mission are equally convinced that there has been a deterioration of their relations. The principal area where this has been demonstrated has been in connection with the budget. P. Y. Hsu, the Minister of Finance, produced a budget which was far out of balance. As a result of the third recalculation, he has now apparently brought the deficit down to a manageable figure. Nevertheless, ICA points out that this is done through the juggling of figures, and by milking government-owned enterprises to such a degree that they will have to increase their bank loans, thereby adding to inflation. With one breath the Finance Minister has announced that there will be no increase of taxation; with the next breath he has prided himself that the level of taxation on Taiwan is only 14% of national income, or among the lowest in the world. While this 14% is undoubtedly a considerable burden to the individual Chinese taxpayer, it is not much consolation to Americans who are paying considerably more in income tax alone. The Chinese military budget ceiling, which was conceived of as an upper limit, and accepted as such by the military, has now become a floor and there are repeated demands for increases in authorized military expenditures, regardless of whether revenue therefor is available or not.

Outlook

The situation is neither desperate, nor irremediable. JCS and CINCPAC have given a tentative indication of willingness to relax the stringent requirements imposed on the nine-division-reserve program—and doubtless a compromise solution can be found, especially as the Chinese are now also showing some resiliency (the Minister of Defense states that he has ordered the recapture of certain diverted MDAP equipment). Similar changes of attitude, coupled with patience and understanding on our part, can reduce the other national

differences to manageable proportions. Yet because of the Chinese aversion to the Geneva atmosphere, their opposition to any renunciation of the use of force in the Formosa Strait, their dislike and fear of the "two Chinas" theory, and their sensing of a world-historical trend contrary to their interests, differences of objectives will remain and probably grow wider. The Chinese will probably be less amenable to suggestions and persuasion in the future, than in the past when they felt we walked really together, and in the same direction. It will require our best skill to ameliorate the effects of these divergencies.

Conclusion

1. Assumptions:

- a) We must keep Taiwan out of Red China's hands.
- b) We must assist the GRC in developing and maintaining the most effective combat forces possible.
- c) We must assist in developing the GRC on Taiwan as an acceptable alternative to the mainland Communist regime.

But all these should be done with our eyes open.

2. Conclusions:

- a) Cooperation is a two-way street.
- b) Consequently, since both Washington-Honolulu, and the Chinese military, have made gestures towards a relaxation in their positions, the door is now open to an improvement in relations with China.
- c) Because of basic and slowly widening divergencies of aims and interests, there will be more differences of approach and interests in the future, than in the past.

For the Ambassador:
William P. Cochran, Jr.
Counselor of Embassy

84. Telegram From the Acting Secretary of State to Ambassador U. Alexis Johnson, at Geneva ¹

Washington, October 25, 1955—7:34 p.m.

996. Partial guidance for October 27 meeting:

¹ Source: Department of State, Central Files, 611.93/10-2555. Secret; Priority; Limit Distribution. Repeated for information priority to Paris for Secretary Dulles. Drafted in CA; cleared by McConaughy and in draft by Sebald; cleared with S/S; and approved by Robertson.

1. On renunciation of force item, although it is undesirable for you to engage in extensive debate with Wang in defense US policy regarding Taiwan, his accusation that US has occupied Taiwan by force of arms cannot be permitted rest unchallenged. You should briefly and factually state our position: that Taiwan is seat of GRC which we recognize; that US has signed Mutual Defense Treaty with GRC under which we assumed obligations to assist in defense of Taiwan against outside attack; and that such units of US armed forces as are stationed on Taiwan are there in accordance with treaty provisions and with full consent of GRC. To describe this situation as "US armed occupation of Taiwan" is distortion of truth.

You should then reiterate, along lines followed last meeting, that in best interests both countries and world at large urgent requirement is not to sit in Geneva arguing whose position right and whose wrong, but for both parties renounce use of force to settle differences, with particular reference to Taiwan area.

2. Your 957² approve your recommendation that statement on unaccounted-for military personnel be presented.

3. Awaiting reply from Secretary³ before sending additional instructions concerning manner of presentation item on release Americans.⁴

Hoover

² Johnson's telegram 957 from Geneva, October 25, replied to a message from Robertson, sent to Secretary Dulles as Tedul 8 to Paris and to Johnson as telegram 981 to Geneva, October 24. Telegram 981 suggested that Johnson try to bring about a recess in the talks during the Foreign Ministers Conference by proposing a 3-week recess, ostensibly to give the Chinese time to carry out the judicial processes required for the release of the Americans. Alternatively, it suggested, Johnson might make a forceful statement of U.S. dissatisfaction at the lack of PRC implementation and threaten to make a public statement if no action had been taken by the next meeting. (*Ibid.*, 611.93/10-2455) In telegram 957 Johnson opposed the first suggestion and proposed that at the next meeting he make the U.S. presentation on missing military personnel and announce publicly the two topics he had introduced, in preparation for a possible public statement in the future. (*Ibid.*, 611.93/10-2555)

³ Dulte 12 from Geneva, October 26, advised against any suggestion of a recess or public statement and suggested that Johnson make a forceful statement on implementation, present the U.S. statement on unaccounted-for military personnel, and continue with discussion of renunciation of force. (*Ibid.*, 611.93/10-2655)

⁴ Telegram 1013 to Geneva, October 26, repeated to Geneva for Dulles for information, instructed Johnson to begin the meeting with a renewed demand for prompt compliance with the terms of the agreed announcement. (*Ibid.*)

85. Telegram From Ambassador U. Alexis Johnson to the Department of State ¹

Geneva, October 27, 1955—2 p.m.

970. 1. Two hour forty-five minute meeting this morning opened by Wang with somewhat milder rehash ChiCom position on Taiwan which avoided renewal demand for US withdrawal and ended with presentation draft statement ² transmitted by separate tel. ³

2. I replied with statement along lines para one Deptel 996 ⁴ and stated I would study and reply later concerning his draft statement.

3. He replied with long ad lib statement "rejecting" my statement on Taiwan. After some sparring and give and take I tried to probe further for meaning para 4 his draft statement to determine whether it was any move toward meeting our position on renunciation of force in Taiwan area. While his replies followed Chou En-lai formula they were somewhat more ambiguous than previously. Replying to my specific question he stated para 4 "included disputes between US and China in Taiwan area". My specific probing on significance his continued use "conditions permitting" with respect "liberation" Taiwan led to no definite conclusion.

¹ Source: Department of State, Central Files, 611.93/10-2755. Confidential; Niact; Limited Distribution.

² The draft statement, with revisions which Wang sent to Johnson the following day, reads as follows:

"Agreed Announcement of the Ambassadors of the People's Republic of China and the United States of America.

"Ambassador Wang Ping-nan, on behalf of the Government of the People's Republic of China, and Ambassador U. Alexis Johnson, on behalf of the Government of the United States of America, jointly declare:

"In accordance with Article Two, Paragraph Three of the United Nations Charter, 'All Members shall settle their international disputes by peaceful means in such a manner that international peace and security, and justice, are not endangered';

"And in accordance with Article Two, Paragraph Four of the United Nations Charter, 'All Members shall refrain in their international relations from the threat or use of force against the territorial integrity or political independence of any state, or in any other manner inconsistent with the Purposes of the United Nations';

"The People's Republic of China and the United States of America agree that they should settle disputes between their two countries by peaceful means without resorting to the threat or use of force;

"In order to realize their common desire, the People's Republic of China and the United States of America decide to hold a conference of Foreign Ministers to settle through negotiations the question of relaxing and eliminating the tension in Taiwan area."

A memorandum of October 28 from Johnson to Dulles, enclosing a copy of the revised draft, states that Wang made no changes in the Chinese text and that the changes in the English text appeared to be stylistic. (*Ibid.*, 793.5-MSP/10-2855)

³ Johnson transmitted the text in telegram 968 from Geneva, October 27, and reported Wang's revisions in the English text in telegram 994 from Geneva, October 28. (*Ibid.*, 611.93/10-2755 and 611.93/10-2855, respectively)

⁴ *Supra.*

4. I then reverted to implementation in brief but strong terms to which he replied my information was not current with respect ability UK carry out its functions and rejected in harder terms than previously my raising question these meetings. He rebuffed all my efforts determine what he meant by my information not current.

5. I then made statement on missing military personnel in accordance Deptels 824 and 828. ⁵ In reply he read prepared statement "rejecting assertion 450 Americans still allegedly being held" and flatly refused accept lists.

6. I replied by pointing out I had not alleged 450 "still being held" but was asking for information with regard to their fate. I then cited as example case of Army Pfc. Paul E. Craig, pointing out his specific mention in Peiping broadcast and that they could not deny they had info with regard to him. If he were dead, all we were asking was when and where. There was then long and increasingly acrimonious discussion which I centered around facts in Craig case and humanitarian aspects. He rehashed position on fourteen thousand and reiterated entire matter should be taken up in MAC. He claimed he had answered our query by giving us list all Americans in China, including list last year all those who had died in China. He made direct request for information on fourteen thousand. I pointed out no relation between 14,000 and list 450, the case 14,000 analogous to Americans who remained their side and went to PRC. I said his refusal accept list was not in keeping with spirit our talks and made repeated efforts get him accept. After I had pushed him into tight corner by continually coming back to Craig case, he simply clammed up and refused to say anything more. It was clear he was under categorical instructions not to accept list and nothing I said was going to change this fact. Meeting closed on this very hard note with my reserving right revert to matter.

7. Next meeting November 3.

[Johnson]

⁵ Telegram 824 to Geneva, October 3, transmitted to Johnson the text of a statement on unaccounted-for military personnel. Telegram 828 to Geneva, October 4, authorized Johnson to make the presentation orally with revisions which he had proposed. The statement, as revised, requested that Wang present to the appropriate authorities in his government the U.S. Government's demand for an accounting of the fate of 450 U.S. servicemen who had served in Korea, who had last been seen or heard of under circumstances indicating that they had been killed or captured, and who had not been accounted for. It also requested information concerning the 11 Naval and Coast Guard personnel who had disappeared in plane crashes near Swatow in January 1953. (Department of State, Central Files, 611.93/9-2855 and 611.93/10-455, respectively)

86. **Telegram From the Acting Secretary of State to Ambassador U. Alexis Johnson, at Geneva** ¹

Washington, October 29, 1955—5:10 p.m.

1053. For Johnson. Also for the Secretary. Guidance for November 3 meeting.

1. Implementation Agreed Announcement: Note that two of nineteen Americans now released and inform Wang U.S. Government expects this to be followed by expeditious release remainder, as provided in Agreed Announcement. Point out that although PRC has now recognized in principle right of British Chargé to correspond with and visit jailed Americans, he has been subjected to regulations which so circumscribe his freedom of action as to make it impossible carry out effectively his functions under Agreed Announcement.² There is no justification for applying to British Chargé regulations intended for "prisoners' receiving and corresponding with relatives." No restrictions imposed on Indian Ambassador in carrying out his functions under Agreed Announcement in US. Call Wang's attention to specific regulations which interfere with Chargé's functions such as prohibition on speaking to prisoner about his case which would prevent investigation facts provided for in Agreed Announcement.

2. Unaccounted for military personnel: present lists again, using argumentation similar last meeting, emphasizing this unquestionably an issue between us and therefore appropriate subject for inclusion in talks. Additional material individual cases being forwarded. Prepare ground for possibly reading lists to Wang next meeting if he still refuses accept.

3. Renunciation of force: Again reject Wang's allegations that U.S. occupying Taiwan, violating UN Charter, etc. Inform him that although PRC's willingness to consider renunciation of force is contribution to progress of talks, his draft statement unacceptable. It completely avoids main issue, which is that both sides renounce use of force, with particular reference to Taiwan area. Paragraphs 2 and 3 deal exclusively with renunciation of force in international disputes and Wang has clearly indicated PRC would not consider itself prevented by these provisions from using force against Taiwan. What-

¹ Source: Department of State, Central Files, 611.93/10-2955. Secret; Priority; Limit Distribution. Drafted in CA, cleared by McConaughy, cleared in draft by Sebald, and approved by Robertson.

² Telegram 1031 to Geneva, October 28, informed Johnson and Dulles that Vice Minister Chang told O'Neill on October 26 that he and his staff might visit and correspond with the imprisoned Americans in accordance with applicable rules and regulations, which included the limitation of visits to each prisoner to 30 minutes on the first and third Tuesdays of each month, the requirement that prison interpreters should be present, and the prohibition of conversation concerning the prisoner's case. (*Ibid.*, 611.93/10-2855)

ever language chosen for declarations must be applicable to situation, which one party considers solely domestic issue and other does not. Both must pledge not to use force in this situation, except defensively. Paragraph 5 introduces extraneous subject, Foreign Ministers Conference, which as previously pointed out, not considered suitable subject for discussion these talks.

4. In view information contained Deptel 1052³ endeavor discuss our draft (Deptel 915)⁴ with Secretary and Phleger with view introducing it as counter proposal at Nov. 3 meeting.

Hoover

³ Telegram 1052 to Geneva, October 29, informed Johnson and Dulles of a conversation the day before between Premier Chou En-lai and O'Neill concerning the Sino-American Ambassadorial talks and the American prisoners in China. Chou declared that the provisions of the agreed announcement should be carried out without further discussion at Geneva, that the Chinese had already given the United States a list of all U.S. nationals in China, and that the question of missing Americans from the Korean war did not fall within the scope of the Geneva talks. The U.S. proposal for a statement on renunciation of force would not settle the questions at issue, he maintained; the question of removal of tensions in connection with Taiwan should be discussed by the two Foreign Ministers. Since the Americans desired a joint statement, however, he said, the Chinese had put forward a draft. He gave O'Neill a copy to send to Macmillan, saying that he had given copies to Molotov and Nehru and suggesting that it might be one of the bases for discussion by the Foreign Ministers at Geneva, if they should touch on Far Eastern problems. He declared that it should be possible to reach agreement on this and that if the Ambassadorial talks should drag on much longer, it would appear that the United States was not willing to agree. O'Neill referred to the two Americans who were being allowed to leave and expressed disappointment that there were only two, commenting that at that rate it might take over a year to solve the problem. He expressed the hope that the process could be speeded up. Chou, apparently very irritated, interrupted to say that O'Neill was being unfair; it was not a matter of arithmetic but of politics. He pointed out that 37 Americans had been allowed to leave since July and contrasted the small number of Americans in China with the number of Chinese in America. (*Ibid.*, 611.93/10-2955)

⁴ Telegram 915 to Geneva, October 18, transmitted to Johnson for comment a draft declaration on renunciation of force which reads as follows:

"Agreed Announcement of the Ambassadors of the United States of America and the People's Republic of China.

"The Ambassadors of the United States of America and the People's Republic of China in the discussion of the practical matters at issue between the two sides have agreed to announce the following declarations:

"Ambassador Wang Ping-nan informed Ambassador U. Alexis Johnson that:

"In general, and with particular reference to the Taiwan area, the People's Republic of China renounces the use of force, except in individual and collective self defense.

"Ambassador U. Alexis Johnson informed Ambassador Wang Ping-nan that:

"In general, and with particular reference to the Taiwan area, the United States renounces the use of force, except in individual and collective self defense." (*Ibid.*, 611.93/10-1855)

87. Letter From Ambassador U. Alexis Johnson to the Director of the Office of Chinese Affairs (McConaughy) ¹

Letter No. 16

Geneva, November 1, 1955.

DEAR WALTER: Herman Phleger and I had dinner with the Secretary Friday ² evening during which we discussed the Chinese draft in a general and preliminary way but without coming to any conclusions. The Secretary has apparently not made up his mind on how he wants to handle it, and clearly wanted to have time to think about it, which was difficult with the extreme pressure on him of other events here. Therefore, in the telegram of suggestions for the next meeting, which I sent you on Saturday, ³ I suggested that we not get into any detailed discussion.

The Secretary was also obviously very anxious that I get started on the trade embargo item, ⁴ and, hence, my suggestion in that regard. I also want you to know that it was the Secretary's thought that I should query Wang with regard to specific items on the CHINCOM list, set forth in the last sentence of my 999. ⁵ I told him that I had serious doubts about the desirability of this, but put it up in my telegram as my own query so that the Department would not feel any inhibitions in commenting on it. I have talked to Goodkind ⁶ about it but he was understandably very reluctant to commit himself on the policy considerations involved. He saw no objection from the purely technical CHINCOM standpoint.

¹ Source: Department of State, Geneva Talks Files: Lot 72 D 415, Geneva—Correspondence Re US-PRC, 1955-1956. Secret; Official-Informal.

² October 28.

³ Telegram 999 from Geneva, October 29. (Department of State, Central Files, 611.93/10-2955)

⁴ Johnson wrote to McConaughy in letter No. 15, October 28, that on October 26 he had had some general discussion with Secretary Dulles, primarily on the trade question, which he described as follows:

"I gathered that he had talked with Macmillan on the CHINCOM question and that he had come to the conclusion that some drop in the CHINCOM level, toward but not all the way to a COCOM level, is shortly inevitable. . . . We had some general discussion on how this could be tied in with my talks here but came to no conclusion, except that I gathered that it is the Secretary's desire that if this development is in any event going to take place, I should attempt to capitalize on it here. I told him that, without expressing any opinion on whether or not the level should or should not be dropped, my strong feeling was that if we had come to the conclusion that it was going to be dropped, I thought it important solely from my standpoint here that it would appear we had agreed, or at least acquiesced, rather than that it had happened in spite of our opposition." (*Ibid.*, Geneva Talks Files: Lot 72 D 415, Geneva—Correspondence Re US-PRC, 1955-1956)

⁵ The sentence under reference requested the Department's comments "on desirability my soliciting at this or subsequent meeting views on specific items present CHINCOM list they consider non-strategic and in whose removal from list they particularly interested for non-military purposes."

⁶ Louis W. Goodkind, Chief of the Economic Defense Division in the Office of International Trade and Resources.

It has been a big help to have Goodkind and Doherty ⁷ here to get myself thoroughly briefed on all aspects of CHINCOM controls, as it is a subject with which I was not familiar in detail. I want to let both you and Walter know that, except for the foregoing background against which I sent my 999, it represented only my own thoughts and I deliberately avoided showing it to or discussing it with the Secretary, because I feel that he should have the advantage of thoughts and recommendations of you and Walter in each case before making up his mind. I do not feel it right that my temporary proximity to him here should operate so as to cause him to give any undue weight to my opinions and without having FE opinions in front of him. This gets to be a little difficult, but I want you to know that I have it very much in mind, as I know he does. I am sorry that my 999 crossed with your 1053. ⁸ I sent it priority quite early Saturday morning and do not understand why you did not have it prior to sending your 1053. However, I believe it worked out all right as the Secretary had both messages in front of him yesterday and he and Herman did up a Dulte on the subject to you. ⁹

The one specific question which I particularly desired to, and did, discuss with the Secretary and Herman Friday evening was this: As I told him, it seemed to me that in the context of our talks my continued reference to "other matters" which could be more hopefully discussed following a satisfactory renunciation of force statement included, in Wang's mind, the presence of our forces in the Taiwan area. As I told the Secretary, I have very carefully avoided any specific statements and have carefully kept to simply the "other matters" formula. Wang has also not pressed me to be specific in this regard but he might well do so. In any event I want it to be clear in my own mind as to whether we would admit to discussion of the presence of our forces in the Taiwan area as an "other matter" if there were the satisfactory renunciation of force statement. Admitting to discussion, of course, would not carry with it any implication that we might be willing to agree with their demand for withdrawal or otherwise accept their point of view. However, I said it seemed to

⁷ Edward W. Doherty, Chief of the Division of Functional Intelligence in the Office of Intelligence Research. Documentation concerning Secretary Dulles' conversations on this subject at Geneva with Foreign Secretary Macmillan and Foreign Minister Pinay is included in the economic defense compilation in a forthcoming volume.

⁸ *Supra*.

⁹ Dulte 34 from Geneva, October 31, commented on the instructions to Johnson and expressed the view that he should not present a counterproposal on renunciation of force at the next meeting but should probe the meaning and application of the Chinese proposal. It further stated that because of heavy pressure for the reduction of trade controls, which was likely to become "irresistible" in the near future, it was important to use this bargaining point in the ambassadorial talks and Johnson should therefore use the authority given him in paragraph 5 of Document 75. (Department of State, Central Files, 611.93/10-3155)

me that it would, as Herman phrases it, carry with it an implication of willingness to "bargain in good faith" and not simply sit and say "No". I particularly raised the question as to whether any such discussion would be within the agreed scope of our talks or whether it would be something involving the rights and interests of the GRC and, therefore, outside the scope of our talks.

I believe the Secretary's view can be summarized as follows: We cannot, of course, give any consideration, under present conditions, to withdrawal of all of our forces from the Taiwan area. Apart from any other considerations, the presence of at least symbolic forces is essential for the maintenance of morale on Taiwan. However, the United States has no desire to maintain forces in forward positions except as we consider essential in the light of our estimate of security situation in the particular area. This policy has been demonstrated by a reduction of strength in Korea and Japan. Similarly, the forces we maintain in the Taiwan area will be dependent upon our estimate of the security situation in that area. If the Chinese Communists unequivocally renounce force in the Taiwan area and otherwise demonstrate their peaceful intent, it could be expected we would give consideration to unilateral reduction in whatever strength is being maintained by us in the area. This would be a purely unilateral act on our part and not subject in any sense to agreement with the Chinese Communists. Such decisions on our part do not involve the rights or interests of the GRC nor our agreements with the GRC. Therefore, "discussion" of the subject with PRC in the light of the foregoing could be admitted to.

The foregoing is merely my reconstruction of dinner conversation in which the Secretary was simply thinking out loud, and I am passing it on to you simply in that context.

The Secretary has taken with him on his trip to Madrid¹⁰ today the renunciation of force file, including the PRC draft and the Department's draft.¹¹ One aspect of the PRC draft that I am not clear on how I am going to handle in debate is that the 4th paragraph is very cleverly and carefully confined to disputes between PRC and the US. Thus, it is strictly within the agreed scope of our talks. What we want, of course, is for their renunciation to include the GRC, including Quemoy and Matsu. How do I justify this within the agreed scope of our talks? Is this not something which involves the rights and interests of the GRC and PRC-GRC relations? Another factor that occurs to me is if the PRC has renounced force as between itself and the US, how could it attack Taiwan as long as US forces are there without clearly breaching its renunciation of force with the US?

¹⁰ Secretary Dulles visited Spain on November 1.

¹¹ See footnote 4, *supra*.

Of course this leaves Quemoy and Matsu out. The Foreign Ministers' Conference is, of course, easy to handle as they are in an insupportable position in attempting to make any renunciation of force conditional upon the Foreign Ministers' Conference.

I am sure of only one thing: there is room for much and long discussion during which I will need all the ideas that you can give me.

Sincerely,

Alex

U. Alexis Johnson

P.S. ¹² I have just read & briefly discussed with Herman your Tedul 42. ¹³ Herman very much feels I should not introduce any counterdraft at this meeting & that we can counteract factors mentioned in para. 2 Tedul 42 ¹⁴ by circulating our original statement on renunciation of force. However, as Secretary does not return until late tonight we will not be able to obtain his decision until tomorrow morning. ¹⁵

¹² The postscript is handwritten.

¹³ Tedul 42 to Geneva, October 31, renewed the recommendation that Johnson should introduce the U.S. draft declaration on renunciation of force at the next meeting. It concurred with Dulte 34 from Geneva that Johnson should initiate discussion relating to trade controls along the lines of telegram 870 to Geneva but stated that he should avoid discussion of specific commodities because any indication of U.S. willingness to negotiate a reduction of trade controls with the Chinese would weaken the U.S. position in negotiations with the British and French. (Department of State, Central Files, 611.93/10-3155)

¹⁴ The paragraph under reference states that the recommendation to introduce the U.S. draft declaration at the next meeting was based on the following considerations: the need to recover the initiative which Wang had seized, the need to counteract the tendency for British and Indian thinking to crystallize in terms of the Chinese draft, and the indications that Chou was trying to press the initiative gained by presenting the first draft and that any suggestion of U.S. stalling would play into Chinese hands.

¹⁵ Johnson reported in telegram 1044 from Geneva, November 3, that the Secretary felt the draft announcement was too "bare" for introduction as a counterproposal. (Department of State, Central Files, 611.93/11-355)

88. National Intelligence Estimate ¹

NIE 43-55

Washington, November 1, 1955.

THE PROSPECTS OF THE CHINESE NATIONAL
GOVERNMENT ²

The Problem

To estimate probable short-term developments with respect to the strength, stability, effectiveness, and policies of the Chinese Nationalist Government.

Assumptions

1. US policy towards Taiwan remains substantially unchanged.
2. The Communists do not undertake overt military aggression in the Far East.

Conclusions

1. A return to the mainland and the preservation of its identity as the legal government of China will continue to be the central objectives of the National Government of the Republic of China and the foci of its foreign policy. The present Nationalist leadership almost certainly will not agree to the creation of "two Chinas" and will resist moves to stabilize the Taiwan Strait situation as a trend in this direction. (*Paras. 12-15*)

2. Despite slow deterioration in the international position of the National Government due largely to wider international acceptance of Communist China, the internal political situation remains stable,

¹ Source: Department of State, INR-NIE Files. Secret. A note on the cover sheet states that NIE 43-55 supersedes NIE 43-54. For text of NIE 43-54, "Probable Developments in Taiwan Through Mid-1956", September 14, 1954, see *Foreign Relations*, 1952-1954, vol. xiv, Part 1, p. 627.

² A note on the cover sheet reads as follows:

"Submitted by the Director of Central Intelligence. The following intelligence organizations participated in the preparation of this estimate: The Central Intelligence Agency, and the intelligence organizations of the Departments of State, the Army, the Navy, the Air Force, and the Joint Staff.

"Concurred in by the Intelligence Advisory Committee on 1 November 1955. Concurring were the Special Assistant, Intelligence, Department of State; the Assistant Chief of Staff, G-2, Department of the Army; the Director of Naval Intelligence; the Director of Intelligence, USAF; and the Deputy Director for Intelligence, The Joint Staff. The Atomic Energy Commission Representative to the IAC and the Assistant Director, Federal Bureau of Investigation, abstained, the subject being outside of their jurisdiction."

The title on the cover sheet reads as printed here. The title on page 1 of the text is "The Prospects of the Chinese Nationalist Government".

relatively high living standards have been maintained and there has been some improvement in military capabilities. Morale has declined only slightly, and the prospects for maintaining domestic stability over the next two or three years appear good. (*Paras. 16, 19-53*)

3. Over the longer run, Nationalist China's international position and prospects will probably continue to deteriorate. With the passage of time and in a period of reduced tensions, the "return" theme would be increasingly recognized as unrealistic. Nevertheless, the National Government would find it extremely difficult to accept the idea that the Chinese on Taiwan must resign themselves to an insular existence. However, unless they can make this psychological adjustment and give higher priorities to domestic problems, Chiang or his eventual successor may not be able to sustain unity and morale or to maintain the economy. In any event, the survival and future fortunes of the National Government will continue to be determined in large measure by US policy, and will depend increasingly upon the scale and character of US aid and support. (*Para. 18*)

4. Despite the gradual increases that have taken place in the combat capabilities of Nationalist ground, naval, and air forces over the past several years, these capabilities are still far outweighed by those of Communist China. Even if Nationalist military capabilities are substantially improved, outside logistic, air, and naval support will continue to be required to defend Taiwan or the Penghus against Communist invasion. Nationalist strength will continue inadequate to defend the offshore islands against determined Communist attacks. (*Paras. 48, 53*)

[Here follow paragraphs 5-53, consisting of more detailed discussion of the subject matter summarized here, and a map of Taiwan and adjacent areas.]

89. Editorial Note

At a meeting of the National Security Council on November 3, in NSC Action No. 1466, the Council noted and discussed a Progress Report by the Operations Coordinating Board, dated August 31, on NSC 5503, "U.S. Policy Toward Formosa and the Government of the Republic of China" (volume II, Document 12), covering the period January 1-July 14, 1955. (Department of State, S/S-NSC (Miscellaneous) Files: Lot 66 D 95) A copy of the Progress Report is *ibid.*, OCB Files: Lot 62 D 480, Formosa and GRC, 1955. The memorandum of the NSC discussion records that Dillon Anderson briefed the Council

on the contents of the Progress Report and that, at the conclusion of his briefing, Acting Secretary of Defense Reuben B. Robertson, Jr., said that "he merely wished to call the Council's attention to the problem which faced the Defense Department in funding both the MDAP program and direct assistance to the Chinese National Government. Assistance to Formosa was currently running well over the rate of \$300 million annually. If the Administration proposed to try to cut down the total level of U.S. military assistance worldwide, the program for Formosa and for Turkey would have to be given very serious thought." (Memorandum of discussion by Gleason, November 4; Eisenhower Library, Whitman File, NSC Records)

90. **Telegram From Ambassador U. Alexis Johnson to the Department of State** ¹

Geneva, November 3, 1955—3 p.m.

1051. 1. I opened this morning's meeting which lasted 2 hours and 50 minutes with statement on implementation in which I made points contained paragraph 1 Deptel 1053. ² Wang gave his usual reply, they are faithfully implementing and details should not be discussed here.

2. I then made long extemporaneous statement on renunciation of force during which I picked up points from our original presentation this subject and asked whether and how their draft met. I strongly pointed out importance full meeting of minds this vital subject rather than vague formula of words which had one meaning to one side and another meaning to other side. I particularly focused on practical situation in Taiwan area and question was whether PRC would resort to use of force in Taiwan area, except defensively, and whether PRC accepted principle that use of force to achieve national objectives does not accord with accepted standards of conduct under international law. I pointed out that if principle non-recourse to force a sound one it was sound for its own sake and it was not proper to link it with any particular form for negotiation. Foreign Ministers were not normal and usual channel for discussions between governments. Was PRC position peaceful discussion disputes could be had only between Foreign Ministers? I then turned back to and reviewed our original proposal.

¹ Source: Department of State, Central Files, 611.93/11-355. Confidential; Niact; Limited Distribution.

² Document 86.

3. Wang replied with prepared statement, upon which he subsequently expanded, reiterating previous position on Taiwan but drawing somewhat harder line between domestic and international affairs and "rejecting my metaphors" comparing other divided countries with China. During extemporaneous remarks he said their draft "met the spirit" of my proposal. He said US has said it could not speak for Chiang and they could not accept that we should do so. He reiterated "conditions permitting" formula on "liberation". He said "cannot agree to touching on any Chinese internal affair in any public announcement". Foreign Ministers meeting not necessary if I "am fully authorized and could assume responsibility settle question withdrawal US forces from Taiwan area". I closed long discussion this subject on note that whatever differing views on Taiwan situation, did PRC recognize fact that initiation use of force in Taiwan area would endanger international peace? He dodged question.

4. I then made statement on missing military personnel giving details case Corporal Russel F. Morris US Army and again asking him accept lists. When he again rejected list as well as discussion of subject, I said immaterial whether information given us here or in MAC. Asked whether PRC would instruct MAC rep to discuss subject and accept list, whose refusal thus far to do so had necessitated my raising question here. He refused commit himself.

5. I then made statement on trade³ for which he obviously entirely unprepared and at end of meeting asked me for copy of statement as they had at beginning failed to take full notes. We observed this was in fact case and are sending him copy of statement this afternoon.

³ Johnson transmitted the text of the statement in his detailed report of the meeting in telegram 1056 from Geneva, November 3. He stated that "my response to the questions which you may raise under your item of trade embargo must greatly depend upon the degree of agreement which we are able to reach with respect to renunciation of force" but that, while the question of renunciation of force was being considered, he would, in the interest of expediting their discussions, be glad to hear Wang's views with respect to trade. He contrasted this with Wang's unwillingness to discuss the question of missing military personnel. He continued as follows:

"In discussing the matter of trade at our meeting of September 14 you referred to what you termed 'economic blockade and embargo imposed by U.S.'. I am not clear as to what you have in mind in this regard. I know of no blockade and I know of nothing imposed by the U.S. on anyone else.

"I do know of various sovereign measures taken by my government with respect to economic intercourse between my country and your country. I also know of common measures taken by several other countries in consultation with each other as well as with the United States concerning the export to your country of strategic materials. I also know of the resolution of May 18, 1951, by the General Assembly of the United Nations recommending an embargo on the shipment to your country of arms, ammunition, implements of war and other strategic materials.

"Therefore, when you present the views of your government, I hope that you will clarify exactly what aspects of this matter you have in mind." (Department of State, Central Files, 611.93/11-355)

6. At end of meeting he asked reasons personal convenience next meeting be Tuesday November 8. I explained I had already made other plans which difficult to change but would meet Friday November 11 if he preferred. He quickly and courteously agreed to meeting Thursday November 10.

[Johnson]

91. Letter From the Ambassador in the Republic of China (Rankin) to the Acting Director of the International Cooperation Administration Mission (Bowden) ¹

Taipei, November 4, 1955.

DEAR BOWDEN: With reference to our conversations of October 18 and 31, and to your letters of October 24 and 26, ² I have made a preliminary study of the economic problems mentioned as illustrating our current differences with the Chinese Government. I appreciate the trouble that you have taken to assemble this material.

As of possible use to others in your mission, I shall cover in this letter more or less the same ground as in our recent conversations, with some elaboration on a few points. First, I would refer to a statement in your briefing for Mr. Hollister at the Embassy on October 9 that there has been a "steady decline in Chinese Government cooperation since the signing of the Mutual Defense Pact." Again, in your report of October 31, "FY1957 Illustrative Program Narrative," ³ the discussion of Conflict of Objectives includes a reference to a "growing lack of cooperation by the Chinese Government and an increasing disregard of ICA and MAAG recommendations." After the briefing on October 9 I remarked to Hollister and Moyer that while as far

¹ Source: Department of State, Central Files, 893.00/11-1755. Secret. The source text, a carbon copy bearing a typed signature, was sent to the Department as an enclosure to a letter of November 17 from Rankin to McConaughy. This letter stated that since Rankin's return to Taipei, he had devoted much attention to determining what substance there might be to "last summer's reports of slackening cooperation on the part of Chinese officials in their dealings with Americans" and had "found no evidence of any important or deliberate change in Chinese Government policy from the friendly and cooperative attitude of the past several years". Rankin also enclosed a letter of November 8 to Finance Minister Hsu and memoranda of conversations on November 14 with Hsu and on November 15 with Foreign Minister Yeh and Vice President Ch'en. For Rankin's letter to Hsu, see Document 96; the memoranda of conversations are not printed.

² Neither found.

³ Not found.

as I knew your presentation was factual, I myself would have dealt with the matter in a more optimistic tone.

After reexamining the material in question I want to call attention to certain implications as to cause and effect. For example, so far from having contributed to a deterioration of our working relations with the Chinese, I believe that the Mutual Defense Pact in all probability prevented a considerably more serious worsening in the field of cooperation. Developments of the past year, aggravating the longer term trend of events, might well have produced an all but disastrous situation here had it not been for the formal United States commitments in the Defense Pact.

As to the longer term trend, it is only prudent to expect a gradual deterioration of Chinese Nationalist morale and of the quality of their cooperation with us. This trend became evident some time after the Korean Armistice in July 1953. Prior to that time, the war in Korea was pinning down and draining a major part of Chinese Communist military strength, relieving the pressure on Taiwan accordingly, and while the fighting in the north continued there was at least a possibility of the internal collapse of the Peking regime and/or an extension of hostilities to South China under circumstances favorable to a successful Nationalist participation. The Korean Armistice changed all of that. It substantially reduced the drain on Red resources in Korea and permitted the redeployment of large Communist land and air forces to areas from which Taiwan (and other regions) could be threatened.

As it became apparent that the Korean Armistice marked the end of active hostilities in that area for the foreseeable future, it was borne in on the Free Chinese that the long term trend was once more against them. The enthusiasm generated by the renewal of large scale American aid in 1951 started to wear off when it became apparent that, despite the continuation of this aid, the disparity in military and other capabilities as between Red and Free China again began to widen rapidly after mid-1953. This meant not only that the possibility of liberating their homeland seemed to recede into the dim future, but also that the prospects of holding on to Taiwan itself for any considerable period became distinctly less bright. No matter what the Chinese Communists might conceivably promise by way of renouncing force, they would never give up their aim of possessing Taiwan and liquidating the Nationalist Government by whatever means they might choose. Under the circumstances obtaining since the Korean Armistice, only a continuation of the firmest and fullest United States support for Free China could postpone the evil day.

The Chinese on Taiwan are very much aware that the United States wrote them off once before; they do not exclude the possibility of our doing so again. They believe, with some justification, that

important and influential elements inside and outside our Government would like nothing better than a plausible excuse to sell Free China down the river. These elements include isolationists, Europe-firsters, fellow-travelers and others who for one reason or another continue to hate the guts of Chiang Kai-shek. The Chinese believe that such elements are more numerous and influential among Democrats than among Republicans; hence their fear of a possible Democratic victory at some future election.

No intelligent Chinese personages of my acquaintance expect the United States to undertake a commitment to put the Nationalist Government back on the Mainland. They simply hope that future events will produce a situation in which we will want to do so in our own interest. (I believe that we also should not exclude this possibility entirely, however remote it may seem at present.) To reassure the Free Chinese as to United States intentions subsequent to the Korean Armistice, however, particularly after we had offered the Republic of Korea a Mutual Defense Pact to make the armistice less unpalatable, it appeared essential to conclude a similar agreement with the Republic of China. The first steps were taken late in 1953 and the pact materialized something more than a year later. Despite its limitations, this treaty commits the United States, both expressly and by implication, to a more definite and longer term policy toward Free China than we had ever acknowledged previously. Bi-partisan support in the Senate provided an earnest of overwhelming Democratic as well as Republican approval. Without this pact I believe that the present situation in and around Taiwan would be precarious indeed.

In the light of the foregoing, I consider it important that we should not exaggerate the conflict of objectives between the Chinese and ourselves. They and we have a common goal which lies on the road, but only part way, toward their ultimate ambition. We shall not reach this nearer, common goal for several years, during which time events may well require both countries to modify their policies and programs to an important degree. I see no evidence of deliberate intent on the part of the Chinese to neglect the development of Taiwan in order to speed a "return to the mainland". Rather, they are much inclined to spend more money and other resources on both projects than they and we have available. I believe, therefore, that despite a probable further decline in Nationalist morale over the next two or three years, and a concurrent deterioration of their cooperative inclinations, our interests and theirs during this period will be similar enough to permit the successful prosecution of our aid programs.

With due allowance for the longer term factors which seem now to be working against us here, and for the unfortunate psychological effects on Free China of events at Geneva and elsewhere, I am in-

clined to believe that our recent difficulties are explained in large part by incidental and transitory developments. There have been a number of shifts in key American personnel in recent months, as well as changes on the Chinese side. There has been a very rapid increase in the total number of official Americans in Free China, to a point where our administrative, morale and indoctrination problems seem to have become really serious for the first time on Taiwan. There have been great delays in approving our FY1956 aid programs; the fiscal year may be half gone before we know how much we have to spend. United States funds made available by Congress well over a year ago to finance the separation of ineffectives, and to support a reserve training system, remain unspent because our study of the question, both military and economic, has involved long delays. Finally, the transfer of Direct Forces Support responsibility from ICA continues to tie up all counterpart funds needed for this essential purpose. Meanwhile, accelerated arrivals of MDAP equipment, emergency needs of USAF units and other factors have resulted in largely increased requirements for local currency. It is perhaps scarcely surprising that the Chinese are experiencing some frustration in recent months, and that they have been rather less than prompt in putting various parts of their own house in order.

I believe, therefore, that it will be necessary to tie up quite a number of loose ends before giving consideration to a "high level" approach to the Chinese on the general subject of cooperation with Americans. Such approaches are likely to be useful only when some broad question of policy can be solved thereby, which does not seem to fit the present case, or when officials dealing with some important and specific problem seem to require a push from above. In the near future, of course, something in this latter category may need to be done.

First, however, I suggest that we concentrate our efforts with the appropriate Chinese officials on certain specific matters of major importance mentioned in your letters, notably the financial problems of the Food Bureau and of the Power and Sugar Corporations; also the dispersal program. I propose to see the Finance Minister shortly in this connection and to follow up with calls on the Governor, the Prime Minister and the President if necessary. Meanwhile, I suggest that your mission select perhaps two or three of the most promising sources of tax revenue, from those mentioned in Arndt's April 22 letter to the Finance Minister,⁴ which we can all press the Chinese to adopt.

⁴ Not found in Department of State files. Karl M. Arndt was an economic adviser with the ICA Mission.

On the subject of budget balancing, I fear the subject has become so complex that a fresh approach may be called for. Certainly, many of the loose ends mentioned in an earlier paragraph will have to be tied up before we know where we or the Chinese stand. I believe, however, that we should give consideration to the possibility of reverting to an earlier conception of financial aid. This would involve the elimination of any general budgetary support as such by the United States, and the placing of all counterpart expenditures on a strict project basis. I would go even further in an effort to get our fingers out of as many minor pies as possible, so that we might concentrate on the most important parts of our program. This should have the effect of fixing full responsibility, financial and other, on the Chinese themselves in most fields. As a partial offset we might have to assume a somewhat larger share of the burden in economic development, while continuing such technical assistance as seems to promise really worthwhile results.

On the military side, it may not be feasible for the near future, but I would favor working toward a situation where the Chinese would assume full responsibility for pay, food, clothing, general administration and maintenance in their military establishment. The United States contribution would be limited to equipment and supplies not available locally, plus the services of MAAG and the financing of any special projects which we considered essential. The latter would include all counterpart expenditures for military purposes.

In addition to simplifying our own operations, any steps which place responsibility squarely on the Chinese should be beneficial both to them and to the United States. At present, responsibility is so diffused in so many fields that unless the trend toward even greater complexity can be reversed, we cannot hope to deal effectively with the financial problems confronting us. As a part of any program to fix responsibility, it would seem essential that, once a budget had been fixed, no additional outlays at either American or Chinese instance would be undertaken without full prior consultation and the provision of new funds for the purpose. If additional sources of money from current revenues or additional American aid were not immediately available, joint consideration would be given to postponing projects already included in the budget so that the necessary funds could be transferred. As a corollary to the foregoing, Americans and Chinese would have to agree not to resort to additional bank loans except by mutual consent. If this sounds like too much American interference, it may be recalled that we are now covering about two-thirds of all public expenditures in and for Free China; also, that even after our present program of reequipping their Armed Forces (say, in 1958) is completed, the prospects are that we shall still

be called upon to contribute at least half of the total during an indefinite future.

At the same time I am convinced that still larger numbers of American officials looking over Chinese shoulders and putting fingers into still more pies do not provide an answer to our problems. In fact, I believe that we have already too many official Americans in most agencies here, with the result that the law of diminishing returns has begun to operate and is responsible for a part of our increased difficulties during the past year. What we need is a simplification of our effort, with greater concentration on what is most important, and a concurrent plan to give the Chinese greater and more definite responsibility.

Sincerely yours,

K. L. Rankin

92. **Telegram From the Acting Secretary of State to Ambassador U. Alexis Johnson, at Geneva** ¹

Washington, November 5, 1955—4:19 p.m.

1136. Your 1048. ² Consider redraft too wordy, opening door to variety of undesirable possible interpretations and implications. Also

¹ Source: Department of State, Central Files, 611.93/11-355. Secret; Priority; Limited Distribution. Drafted in CA, cleared by McConaughy, cleared in draft by Sebald, and approved by Robertson.

² In telegram 1048 from Geneva, November 3, Johnson transmitted the text of a suggested redraft of a statement on renunciation of force which had been shown to the Secretary and Phleger and had their general concurrence. The draft statement reads as follows:

"1. The Ambassadors of the United States of America and the People's Republic of China in the discussion of the practical matters at issue between the two sides have recognized that the two countries confront each other with policies which are in certain respects incompatible. Their governments are determined, however, that their first objective will be to see that these differences do not lead to armed conflict.

"2. Their determination not to resort to war does not mean that either government must renounce any policy objectives which it considers it is legitimately entitled to achieve or renounce the right of individual or collective self-defense. It does mean that neither will initiate the use of force to implement its policies.

"3. Their determination not to resort to the use of force to make the policies of either party prevail over those of the other does not involve the interests of third parties nor does it involve the justice or injustice of conflicting claims.

"4. They recognize the basic principle that the use of force to achieve national objectives does not accord with accepted standards of conduct under international law if it constitutes a threat to international peace and security and justice.

"5. Furthermore, they recognize that the determination not to resort to the threat or use of force is essential to the just settlement of disputes by peaceful means, for

Continued

question wisdom of abandoning original concept of separate, unilateral declarations in favor joint declaration. Specific comments by paragraph follow:

2) Undesirable because places U.S. in position of publicly acquiescing in PRC's right to hold any policy objective, even though we might consider such objective inimical to survival of free world. It seems to us we cannot, even implicitly, accept the PRC's right to hold such policy objectives as, for example, subversion of free governments.

3) Statement that renunciation of force does not involve interests of third parties could be construed as leaving Communists free to attack offshore islands, which not specifically covered by Mutual Defense Treaty.

4) Provides loophole for Communists to insist this does not apply to Taiwan, which domestic matter.

5) Contains too strong an implication that U.S. willing enter upon far-reaching negotiations if Communists renounce force.

6) and 7) Inclusion phrase "when this would threaten international peace" again provides loophole for Communists to argue Taiwan domestic matter and only threat to international peace arises from U.S. "use of armed force" against it.

Believe we should strive for simple wording which pins Communists down clearly and unmistakably not to use force in Taiwan area. They obviously seeking meaningless wording which would not tie their hands. We would rather, if necessary, face up to Communist refusal to agree to clearcut statement, provided latter appeared reasonable to most of world, than get their agreement to ambiguous document which they would then proceed to evade.

For reasons set forth paragraph 3 Tedul 42³ as well as above considerations believe draft contained Deptel 915⁴ most satisfactory produced to date. If considered too bare, it might be prefaced by reference to general principles to which all civilized nations subscribe,

negotiations cannot achieve fair and equitable solutions if conducted under the overhanging threat that force may be resorted to when one party does not agree with the other.

"6. Accordingly, Ambassador U. Alexis Johnson informed Ambassador Wang Ping-nan that: in general, and with particular reference to the Taiwan area, the USA renounces the use of force to achieve its national policy objectives when this would threaten international peace, except in individual and collective self-defense.

"7. Ambassador Wang Ping-nan informed Ambassador U. Alexis Johnson that: in general, and with particular reference to the Taiwan area, the PRC renounces the use of force to achieve its national policy objectives when this would threaten international peace, except in individual and collective self-defense." (*Ibid.*)

³ See footnote 13, Document 87. Paragraph 3 states that the U.S. draft's "lean-ness" compared with the Chinese draft's "fatness" would provide the necessary latitude for negotiation in that some concessions could be made by accepting statements of general principle.

⁴ See footnote 4, Document 86.

without using exact UN Charter language in Wang's draft. Would be interested in Phleger's comments this telegram.

Repeat to Secretary.

Hoover

93. **Telegram From the Ambassador in the Republic of China (Rankin) to the Consulate General at Geneva** ¹

Taipei, November 6, 1955—6 p.m.

96. For Secretary Dulles. Department's 274. ² No significant increase GRC air activity has occurred recently.

Progress in training GRC Air Force units and in transition from propeller-driven to jet aircraft has resulted in proportionate increase in reconnaissance capability and general efficiency over past six months. Shooting down of Chinese Communist Mig October 15 over East China Sea and sinking of Communist gun boats November 3 north of Matsu attributable to this increased effectiveness rather than to any recent step-up in air activity. Above engagements occurred during routine patrols flown by GRC on daily basis. Frequency such patrols somewhat increased during past six months, but increases planned and gradual and not in a nature of upsurge caused by any change in GRC policy.

Days after gun boats sunk, I went over reports in detail with our Air Attaché. He and I concluded this attack quite in line with what GRC has been doing all along and presumably justified on basis of military requirements in absence any definite US position opposing such action.

Rankin

¹ Source: Department of State, Central Files, 793.5/11-655. Secret. Repeated to the Department for information as telegram 408, which is the source text; also repeated to London.

² Telegram 274 to Taipei, November 5, instructed the Embassy to cable the Secretary promptly "any information on reported increase GRC air activities and explanation thereof which may help in discussion subject with Macmillan." (*Ibid.*, 793.5/11-555) It referred to Tosec 174 to Geneva, repeated to Taipei, November 5, which stated that the British Embassy had informed the Department that Macmillan expected to take up with the Secretary on November 9 at Geneva the question of Nationalist air activity against South China, which, according to British information, had recently increased sharply. (*Ibid.*, 396.1-GE/11-555) A notation on the source text in McConaughy's handwriting states that on Robertson's instructions, he had given Sir Hubert Graves, Minister at the British Embassy, an oral paraphrase of the substance of the first and second paragraphs of the telegram. No record has been found of any conversation on this subject between Dulles and Macmillan at Geneva.

94. **Telegram From Ambassador U. Alexis Johnson to the Department of State** ¹

Geneva, November 8, 1955—7 p.m.

1099. Following is redraft of Renunciation of Force statement which takes account of comments Deptel 1136. ² Subject to Department's views, it has concurrence of Phleger and the Secretary. Would hope I would be able introduce this at Thursday's meeting.

1. The Ambassador of the United States of America and the Ambassador of the People's Republic of China during the course of the discussions of practical matters at issue have expressed the determination that the differences between the two sides shall not lead to armed conflict.

2. They recognize that the use of force to achieve national objectives does not accord with the principles and purposes of the United Nations Charter or with generally accepted standards of international conduct.

3. They furthermore recognize that the renunciation of the threat or use of force is essential to the just settlement of disputes or situations which might lead to a breach of the peace.

4. Therefore, without prejudice to the pursuit by each side of its policies by peaceful means they have agreed to announce the following declarations:

5. Ambassador Wang Ping-nan informed Ambassador U. Alexis Johnson that:

6. In general, and with particular reference to the Taiwan area, the People's Republic of China renounces the use of force, except in individual and collective self defense.

7. Ambassador U. Alexis Johnson informed Ambassador Wang Ping-nan that:

8. In general, and with particular reference to the Taiwan area, the United States renounces the use of force, except in individual and collective self defense.

[Johnson]

¹ Source: Department of State, Central Files, 611.93/11-855. Secret; Niact; Limited Distribution.

² Document 92.

95. Telegram From the Secretary of State to the Department of State ¹

Geneva, November 8, 1955—10 p.m.

Secto 221. Tito Brioni Talks ²—Communist China.

At Secretary's request Tito gave his views about Communist China saying that while Yugoslavia had not known too much about the country they were in a position to study it first-hand since the establishment of diplomatic relations. ³

Tito insisted Communist China was not a Soviet satellite. Although the Soviets had exercised great influence over Chinese Communists, Stalin had complained Mao was difficult to deal with during the partisan period. Soviets adopted a rather cautious attitude towards the Chinese. While they were helping China economically and technically, it was wrong to think the USSR was pushing China as its spearhead for Asian penetration.

Tito was sure Soviets exercised at times a restraining influence on Chinese, commenting that regime was young and in full flush of revolutionary fever which sometimes caused it to run a bit wild. He believed the Chinese have learned some lessons and were now wiser. Tito advocated Communist China's admission to UN on grounds it was important for it to have wider political and economic contacts and not to be forced into position whereby having relations [only] with USSR. China also could provide a wide market for many countries including the US. Tito commented that just as China had showed some elasticity in its international affairs so it might show similar elasticity in foreign policy which would not exclude difficulties with the USSR.

According to Tito the Chinese Communist Party while having relations with Soviet Communist Party was quite independent and certain pro-Russian elements had been largely eliminated. Party relationships were equivalent to government relationships between the USSR and China. Tito added his conclusions corresponded with views he had received from Burmese and Indians during his trip East. At this point Kardelj ⁴ said he knew from Stalin that latter was opposed to Mao taking over China by open revolution. It was paradox

¹ Source: Department of State, Central Files, 396. 1-GE/11-855. Secret; Limit Distribution. Repeated for information to Belgrade.

² Secretary Dulles visited Yugoslavia on November 6 for talks with Yugoslav President Josip Broz-Tito near the island of Brioni. The discussion recorded here took place during a conversation on the afternoon of November 6, and is recorded in more detail in a memorandum of conversation, November 8. (USDel/MC/24; *ibid.*, Conference Files: Lot 60 D 627, CF 577)

³ In January 1955.

⁴ Yugoslav Vice President Edvard Kardelj.

that Yugoslav and Chinese Communist revolutions which were completely successful were carried out against Stalin's wishes, because Stalin wanted all countries engaged in revolution to be dependent on Soviet Union.

Secretary explained US feeling against Chinese Communists deriving from their Korean intervention and efforts take over Indochina. Present situation in South Vietnam, Laos and Cambodia was such that these areas had good prospect of remaining free. Threats against Taiwan were another cause of American sentiment. Secretary briefly outlined Johnson's Geneva talks with Chinese Ambassador Wang. If satisfactory progress could be made by two Ambassadors regarding a reasonably dependable renunciation of force, we would all be much better off. A change of American sentiment, however, would depend on actions and words of Chinese Communists. Secretary felt Geneva talks between Ambassadors were useful but they would take time to arrive at result we hoped for and he was therefore, not disturbed at their leisurely pace.

In conclusion Secretary emphasized our loyalty to Chinese Nationalists who stood with us against Japanese. We have obtained Chiang agreement not act against Mainland except in agreement with us, thus giving us power of control over Chinese Nationalist action. Last January risk of war had been grave because of Chinese Communist attitude. Secretary referred to congressional resolution empowering President to use US armed forces to assist in Taiwan defense; said situation had improved since then but Chinese Communists must realize American people still harbored strong feelings not because they were Communist regime, since we had good relations with Yugoslavia which was a Communist regime, but because of Chinese actions and threats in Far East.

Dulles

96. Letter From the Ambassador in the Republic of China
(Rankin) to the Republic of China Finance Minister (Hsu) ¹

Taipei, November 8, 1955.

DEAR MR. MINISTER: I thank you for your thoughtful letter of October 27, ² in which you detailed various observations on the economic situation, following our talk of October 20.

¹ Source: Department of State, Central Files, 893.00/11-1755. Confidential. The source text, a carbon copy bearing a typed signature, was sent to the Department as an

Continued

The difficulties in question obviously are not easy to solve. In fact, many of them simply illustrate continuing problems which we must follow and deal with as best we can for an indefinite future period of time. In view of this and of the complexities of the situation, as noted in numbered paragraph 4 of your letter, it seems to me particularly important that we should give special attention to factors of major importance which involve large sums of money and affect the economy accordingly. I cite the following as examples:

1. *Increased Tax Revenues.* There appears to be general agreement that tax revenues have increased less rapidly than national income in recent years. Obviously, steps should be taken to tap this source, both to provide your Government with much needed additional revenue and also to combat inflation.

2. *Financial Position of Power and Sugar Corporations.* These two companies are among your Government's most important economic assets. Both have monopoly positions and both appear to be well managed as far as their general operations are concerned. At the very least, they should provide from current earnings enough to cover normal depreciation charges and to contribute to the Government no less than similar private enterprises would pay in taxes. Yet both companies have been operating at a loss of running ever further into debt. Thus very important and legitimate sources of revenue have been wasted. I am glad to learn from you that steps recently have been taken to put the Sugar Corporation on a sound financial basis; I hope that this will provide for a substantial and legitimate return to the Government. It is essential that the Power Company be placed on a similar foundation; otherwise I do not feel that the United States is warranted in making further capital investments in this Company, which already has absorbed some US\$70 million in aid funds.

3. *The Food Bureau.* As far as I can learn, no one seems to understand the financial operations of the Food Bureau except to note its steadily mounting indebtedness, which now approximates one billion NT\$. While the Food Bureau cannot be expected to make a large profit, it could be permitted to make a modest return, which would eliminate the need for incurring further debt and would permit it to begin the liquidation of its large obligations.

4. *Dispersal Plans.* What I heard of dispersal plans, particularly for the Provincial Government, suggests the expenditure of extravagant sums for which no compensating revenue is in sight. I believe that this subject should be restudied with a view to reducing it to very modest proportions. Only a minimum of persons and facilities should be dispersed, and existing buildings, etc., at dispersal points should be used in most cases. There should be no serious thought of moving schools, etc.

5. *Budget Balancing.* I note your statement that the national budget is within 3 percent of balance. I fear, however, that this figure has been reached after assuming a substantial United States contribution

enclosure to Rankin's letter of November 17 to McConaughy; see footnote 1, Document 91.

² Not found in Department of State files.

in counterpart funds to budget balancing, and that it also is dependent on contributions by such agencies as those mentioned above (numbered paragraphs 2 and 3) out of non-existent earnings. And, of course, the 3 percent deficit takes no account of direct United States military and economic aid, which at present represents at least two-thirds of the total cost of maintaining the various branches of the Government of the Republic of China. All of this is well known to you, but I mention it because I fear that the use of a figure such as 3 percent to measure your budgetary deficit is misleading to most people. Even after our current program of reequipping your Armed Forces has been completed (say, in 1958), your current resources promise to cover scarcely half of your prospective requirements in local currency revenues and foreign exchange. This situation emphasizes the importance of early and effective attention to increasing revenues, putting Government enterprises on a sound basis and restricting expenditures and imports to genuine, practical needs.

6. *Unforeseen Government Expenditure and Borrowing.* In a situation such as exists at present it is inevitable that expenditures to meet emergency needs cannot always be foreseen when an annual budget is prepared. However, a budget becomes almost meaningless unless such unforeseen expenditures are covered immediately by (1) increased current revenues, (2) United States aid, or (3) postponing equivalent outlays already provided for but which events have shown should be given a lower priority. Government borrowing to meet emergency needs, under existing conditions, is in most cases equivalent to direct monetary inflation. I am hopeful, therefore, that in the future we can avoid all unforeseen outlays and new borrowing until each case has been fully discussed and agreement reached between the appropriate Chinese and American officials. Unless this can be done, not only your budgetary controls but also our counterpart program might almost as well be forgotten entirely. The assurance given in numbered paragraph 3 of your letter is therefore particularly encouraging to me.

Sincerely yours,

K. L. Rankin

97. Telegram From Ambassador U. Alexis Johnson to the Department of State ¹*Geneva, November 10, 1955—2 p.m.*

1122. 1. This morning's meeting two hours and ten minutes. ² I opened on press leaks, referring to unsatisfactory nature his reply my letter, ³ asking for reaffirmation our agreement on privacy talks, requested clarification statement his letter they considering issuing public statement, and notified him that if they did so I reserved my right promptly reply by public statement. There ensued one hour's discussion on this subject with charges and counter-charges during which I referred to leaks by NCNA correspondent as source many press stories. Believe net result was reaffirmation agreement on privacy talks and do not believe he is going to issue any statement, but some indication decision is not entirely his.

2. He then made long prepared statement on their draft renunciation of force repeating usual arguments but somewhat stronger in tone, particularly as to their unwillingness ever to recognize "US encroachment in Taiwan", status quo, or that Taiwan was not domestic matter. Somewhat more emphasis upon withdrawal of US forces from Taiwan area.

3. I then made short statement on implementation to effect by no stretch of imagination or interpretation can their performance be considered expeditious, and that this situation closely related to other

¹ Source: Department of State, Central Files, 611.93/11-1055. Confidential; Priority; Limited Distribution.

² Johnson's instructions for the meeting were sent to him in telegram 1162 to Geneva, November 8. It instructed him to tax Wang with a violation of their "secrecy agreement", as represented by a November 7 article in the London *Daily Worker* which reported and quoted from the Chinese draft declaration on renunciation of force. It instructed him, provided that the Secretary concurred, to present the new U.S. draft which he had transmitted in telegram 1099 from Geneva (Document 94) and to inform Wang that he had no recourse but to release the U.S. draft with an explanatory statement after the meeting. It further instructed him to raise again the subject of PRC implementation of the agreed announcement and, if Wang raised the subject of "embargo", to listen to what he had to say but refrain from substantive discussion. (Department of State, Central Files, 611.93/11-355) Johnson reported in telegram 1116 from Geneva, November 10, that the Secretary had instructed that he should not make any public release unless Wang did so. (*Ibid.*, 611.93/11-1055)

³ Johnson's letter of November 8 to Wang protested the "violation of the understanding that we have with respect to the privacy of our meetings" represented by the *Daily Worker* story. Wang's reply of November 10 denied any responsibility for the report, declared that U.S. official quarters and Western news agencies had on many occasions disclosed the content of their talks, and stated that in view of this, "the Chinese Government is therefore considering a clarification of its position to the public." Johnson transmitted the text of his letter in telegram 1096 from Geneva, November 8, and the text of Wang's letter in telegram 1115 from Geneva, November 10. (*Ibid.*, 611.93/11-855 and 611.93/11-1055, respectively)

aspects our talks and my government's view of reliance which can be placed on commitments by his government.

4. I then made statement introducing our draft agreed announcement on renunciation of force, giving him copy. Meeting adjourned after few "preliminary comments" by him along expected lines.

5. He made no statement on trade embargo except for passing reference in his opening general statement to effect unacceptable that discussion of trade be conditioned upon issuance renunciation of force statement.

6. Next meeting Thursday, November 17.

[Johnson]

98. Memorandum of a Conversation, Geneva, November 13, 1955, 10 a.m.-Noon ¹

USDel/MC/45

PARTICIPANTS

<i>United States</i>	<i>U.S.S.R.</i>
The Secretary	Mr. Molotov
Mr. Merchant	Mr. Sobolev
Ambassador Bohlen	Mr. Troyanovsky

SUBJECTS

1. Embargo on Trade with Communist China.
2. The Tanker *Tuapse*.
3. Conference Matters.
4. Middle East Situation.

1. *Embargo on Trade with Communist China.*

Mr. Molotov said he would like to discuss the embargo on trade with the Chinese People's Republic. It was not at all clear what grounds remained for retaining this embargo, and he wondered if it were not time to settle this matter.

The Secretary replied that Mr. Molotov knew we were having talks at ambassadorial level here in Geneva with representatives of the Chinese People's Republic. This item had been suggested for the agenda and the U.S. had agreed, but up to the present the Chinese representative had not pressed the matter—perhaps, he thought, be-

¹ Source: Department of State, Conference Files: Lot 60 D 627, CF 584. Secret. Extract. Drafted by Bohlen on November 17. The portion of the document not printed here is scheduled for inclusion in the compilation on the Geneva Foreign Ministers Conference in a forthcoming volume.

cause on the one hand we were awaiting the prompt fulfillment by the Chinese Communists of their assurances that U.S. citizens in China would have the expeditious right to return home; and possibly on the other hand because they were discussing at present the mutual renunciation of force in the Taiwan area. We had pointed out that our attitude on trade would inevitably be affected by the Chinese Communists' attitude on the mutual renunciation of force. In any event, it was an item on the agenda and would be discussed if the Chinese representative so desired.

Mr. Molotov said he wished to express his hope that the removal of the embargo would not be held up. The removal of the embargo would have a very favorable effect on the relaxation of tension in the Far East and would promote the development of economic relations between countries in that area. The Secretary said he was glad to take note of Mr. Molotov's observations.

2. *The Tanker Tuapse.*

Mr. Molotov said he would like to raise the question of the Soviet tanker *Tuapse* and its crew which had been forcibly detained on Taiwan. He said twenty of the crew had not been released, and since the U.S. had certain responsibilities in that part of the world and maintained naval patrols in that area, he felt that the U.S. was in a position to do something about this.

The Secretary replied that as Mr. Molotov knew, the U.S. had used its good offices, as a result of which all members of the crew who wished to return to the Soviet Union had now done so. He said we could not, of course, by force compel anyone to return, nor could we use our good offices to that end, since it would be contrary to our principles. Insofar as the tanker was concerned, he could not remember exactly, but he believed we had also used our good offices, but up to the present without result.

Mr. Molotov said he would like to state the following: For over a year, all forty-nine members of the crew had been held in Taiwan, allegedly on the grounds that none of them wished to return. But, by the great efforts they themselves had made, twenty-nine had finally been permitted to return home. He said they had grounds to believe that the other twenty would like to return also but were being forcibly detained. He also wished to draw the attention of the U.S. Government to the illegal detention of the Soviet tanker, in an area which was under the protection of the U.S. Fleet.

The Secretary said that on his last visit he had urged President Chiang Kai-shek to release all members of the crew who wished to return home. He felt that as a result of this plea the men who desired to return had done so, and he did not believe the remaining twenty were being held in any way against their will. He said, however, that

on his return to Washington he would be glad to look into the matter.

Mr. Molotov said he wished to thank the Secretary for his statement.

.

99. Telegram From the Acting Secretary of State to Ambassador U. Alexis Johnson, at Geneva ¹

Washington, November 15, 1955—8:09 p.m.

1247. Guidance for November 17 meeting.

1. Renunciation of force. Concur your agreeing to consider ad referendum Department reasonable amendments to preamble our draft declaration, while maintaining completely firm position paragraphs 6 and 8, as proposed your 1140. ² Reject Wang's continued accusations US "armed occupation" Taiwan and reiterate US position outlined Deptel 996. ³ You should not hesitate to state our position as forcefully as Wang states his, but pointing out that clash of views need not become clash of arms if both sides accept principle that force will not be used resolve differences.

2. Implementation. Agree with your view that major emphasis should be kept upon PRC's failure carry out express commitment to release Americans, with O'Neill's difficulties secondary. Department will obtain from British latest developments Peiping and send guidance this aspect later. ⁴

¹ Source: Department of State, Central Files, 611.93/11-1155. Secret; Priority; Limit Distribution. Drafted in CA, cleared by Sebald and McConaughy, and approved by Robertson.

² Johnson transmitted his proposals for the November 17 meeting in telegram 1140 from Geneva, November 11. (*Ibid.*)

³ Document 84.

⁴ Telegram 1248 to Geneva, November 15, transmitted to Johnson, with instructions not to make use of it at the November 17 meeting, the following information:

"Peiping Vice Minister Foreign Affairs November 14 returned to British Embassy Officer letters Chargé had written to seventeen Americans. Said letters could not be delivered because: (a) US had not given PRC list of Chinese in US and Indian Embassy therefore unable act on own initiative in communicating with Chinese. British would be given right take such initiative only if Indians given same right in US. (b) Question of encountering obstruction in leaving country did not arise in case of seventeen Americans. They law-breakers and could not return US until necessary legal procedures completed. Cases being reviewed one by one and only after prisoner's sentence

Continued

3. Embargo. Concur your 1140. ⁵

4. Military personnel. Defense has requested UNCMAC to present lists again. Since reply not yet received from UNCMAC you should omit subject this meeting.

Pass to Secretary.

Hoover

remitted could there be any question his leaving. If he then encountered obstruction he could apply to British. (c) British Chargé could only interview prisoner at latter's request. If British to have right of access to Americans in China, Indians must have same right of access to Chinese in US.

"Vice Minister agreed only to transmit to seventeen Americans copies of Agreed Announcement under covering letter containing no comment nor explanation whatever." (Department of State, Central Files, 611.93/11-1555)

⁵ Johnson proposed in telegram 1140 that if Wang made a statement on trade, he would avoid substantive discussion but might ask any questions that seemed useful.

100. Telegram From Ambassador U. Alexis Johnson to the Department of State ¹

Geneva, November 17, 1955—2 p.m.

1192. 1. Two hour meeting this morning devoted entirely to draft Agreed Announcement on renunciation of force except for statement by me on implementation to which he did not reply. Discussion centered almost entirely around our draft.

2. Wang opened meeting with long and uncompromising prepared statement rejecting our draft as "totally unjustifiable and absolutely unacceptable" and demanding acceptance his draft. Statement reiterated previous positions on Taiwan, GRC, US occupation, etc. Much emphasis upon our draft requiring them to acquiesce maintenance of status quo, US armed interference liberation Taiwan and US encroachment on Chinese territory Taiwan. ²

¹ Source: Department of State, Central Files, 611.93/11-1755. Confidential; Priority; Limited Distribution. Received at 9:11 a.m.

² Johnson elaborated on this point and commented in telegram 1203 from Geneva, November 18, as follows:

"While they have dropped immediate demand for withdrawal US forces from Taiwan they are of course trying to maneuver US into position of issuing statement which would provide strong basis for demanding our withdrawal. At same time they have interpreted reference to 'individual and collective self-defense' in juxtaposition to Taiwan area in operative para our draft as requiring recognition by them, on one hand, of US right unilaterally to defend Taiwan, and, on other hand, validity of US defense treaty with GRC. From this it would follow that they are precluded from even raising question 'withdrawal US forces from Taiwan' as well as abandoning their over-all po-

Continued

3. I replied with long extemporaneous statement rejecting his implication US not seeking peaceful settlement by referring US proposal these talks, statement on renunciation of force, and willingness discuss other matters. I restated our position with respect GRC, defense treaty, etc. Principal point was not now attempt reconcile these differences but assure will not lead to war. I then went through our draft paragraph by paragraph, asking him specifically tell me with what they did not agree.

4. His reply and subsequent give and take was very noticeably milder than prepared statement but did not add anything substantive.

5. I persisted in attempt obtain more concrete expression specific objections our draft which he avoided by referring his opening statement which I characterized as generalized and not helpful in arriving at agreement on text. I pointed out our draft seemed to meet his three principal requirements: a) no violation sovereignty, territorial integrity, b) based on UN principles, and c) concrete arrangements for peaceful settlement already provided for by these talks. In reply he continued refer back to his prepared statement.

6. Meeting closed on this inconclusive note. Next meeting Wednesday, November 23.

[Johnson]

sition of GRC and Taiwan. Therefore, it is empty to speak of not prejudicing their policies. Stripped of polemics believe this is genuine position they were setting forth in paras 8 and 11 Wang's statement (mytel 1200) and that from their standpoint it has considerable point." (*Ibid.*, 611.93/11-1855)

Johnson's telegram 1200 from Geneva, November 17, reported in detail on the meeting that day. (*Ibid.*, 611.93/11-1755)

101. Telegram From the Ambassador in the Republic of China (Rankin) to the Department of State ¹

Taipei, November 17, 1955—3 p.m.

463. Following is text of letter dated 17th from Foreign Minister Yeh to Secretary Dulles handed to me at 10:30 this morning by Yeh:

"Dear Mr. Secretary:

My government views with concern the recent development in the Geneva talks on repatriation, especially the reported readiness of

¹ Source: Department of State, Central Files, 993.61/11-1755. Secret. Received at 12:34 p.m. Repeated for information to Geneva for Johnson.

the United States to issue an *agreed* declaration to renounce the use of force generally and specifically in the Taiwan area as a parallel action to that to be taken by the Chinese Communists.

We have every reason to believe such a declaration, even though made unilaterally by the two parties, will inevitably be construed by the Communists and looked upon by the people on the mainland of China as well as the free world in general as a further step toward the United States recognition of the Chinese Communist regime. It would serve to enhance the Peiping regime's prestige both internally and externally to the detriment of the international position of the Republic of China. It might further impair the morale of the people of free China both in Taiwan and abroad and particularly of her fighting forces, which has already been unfavorably affected since the outset of the Geneva talks.

The explicit renunciation of the use of force by the United States in the Taiwan area would seem to imply that the United States has been using force aggressively in that area and would also tend to confirm the often repeated Communist charges that the United States had committed aggression in Taiwan. It would in effect be tantamount to an admission on the part of the United States to equal responsibility for the existing situation in the Taiwan Strait, for which the Chinese Communists should and must be held solely responsible.

It may be recalled that Chou En-lai, in his speech before the so called Peoples Congress in Peiping on July 30, 1955, dwelt at length on the "liberation" of Taiwan by "peaceful means" [as] an alternative to "war" or use of force. It is apparent that the Chinese Communists have for months been anticipating the occasion to propose a political settlement on Taiwan with the United States. It is our estimate that the Chinese Communist representative in Geneva will, by agreeing to the United States proposal for renouncing the use of force, seek to open negotiations for a political settlement on Taiwan.

In view of the above circumstances, the Chinese Government earnestly hopes that the United States Government can see its way to refrain from entering into the arrangement of an agreed declaration mentioned above and to reject any proposal to negotiate for a political settlement on Taiwan which may be brought up by the Chinese Communists. Any discussion on such a proposal will seriously involve the rights, claims and essential interests of the Republic of China."

Rankin

102. Telegram From the Secretary of State to Ambassador U. Alexis Johnson, at Geneva ¹

Washington, November 19, 1955—2:51 p.m.

1281. Guidance for November 23 meeting.

1. Implementation. Acknowledge release three American prisoners, ² but emphasize 14 remain and we continue to be concerned over PRC's failure carry out commitment permit them expeditiously return. Inform Wang we also concerned over fact British Chargé still unable perform his functions with respect these prisoners. Thirteen of fourteen still have not written Chargé and since PRC has special responsibility provide facilities for prisoners' communication, if they have not written can only be assumed they prevented from writing. It is obviously absurd to imagine any person confined in prison would not seek to take full advantage Chargé's efforts to remove impediments to freedom if given opportunity. (We believe this point should be made for the record.)

Requirement that Chargé interview Americans only in accordance rules for relatives is arbitrary and unreasonable. It is obvious attempt defeat purpose of Agreed Announcement. No restrictions whatsoever on freedom of Chinese in US to communicate with Indians nor freedom of Indians to interview Chinese who appeal to them accordance Agreed Announcement.

US cannot accept contention of PRC Vice Minister that question of encountering obstruction in leaving country does not arise in case imprisoned Americans. (Deptel 1248) ³ Imprisonment is self-evident and incontrovertible form of obstruction to departure. Since more than two months have passed since PRC pledged Americans could expeditiously return, it is apparent they encountering obstruction in leaving.

FYI O'Neill being asked make above points in Peiping. ⁴ Use of preceding paragraph subject to British concurrence which we hope to have not later than November 22. ⁵ End FYI.

¹ Source: Department of State, Central Files, 611.93/11-1955. Secret; Priority; Limit Distribution. Drafted in CA, cleared by Sebald and McConaughy and, in substance, by Phleger, and approved by Robertson.

² The release of two prisoners and one American who was under house arrest was announced on a Peking broadcast November 17.

³ See footnote 4, Document 99.

⁴ Requested in an aide-mémoire which McConaughy gave to the First Secretary of the British Embassy on November 18. (Department of State, Central Files, 293.1111/11-1855)

⁵ Telegram 1288 to Geneva, November 21, informed Johnson that the British concurred and were instructing O'Neill to make parallel but somewhat milder representations. (*Ibid.*, 611.93/11-2155)

2. Renunciation of Force. Continue emphasize, as in paragraphs 39 and 40 your 1200,⁶ that Wang has agreed with you that differences in policy should not lead to war and that statement should be made by both sides renouncing use of force.⁷ Department considers argumentation your 1200 admirable and believes you should hold to same general line.

3. Department puzzled by Wang's failure to bring up embargo last meeting. Would like your views as to reason.

4. Important keep meetings at least week apart.

Dulles

⁶ See footnote 2, Document 100. Paragraphs 39 and 40 read as follows:

"39. I said I did not see how it helped progress to continue to make charges and countercharges concerning policies of our governments. We both recognized grave and serious differences in our policies. However, I believed we agree on several things. We both determined differences shall not lead to war. Also agreed public statement should be made in this regard. I thought we agreed also that area in which policies are in particularly serious conflict is Taiwan area. Each of our drafts mentions Taiwan area. Also agreed whatever we say should not prejudice peaceful pursuit our policies.

"40. I said that with such an area of agreement, there seemed to be sufficient room to discuss exactly how we were going to phrase our statement. I had taken his draft and considering his remarks had produced a draft I felt met both points of view."

⁷ McConaughy commented in letter No. 26 to Johnson, November 18:

"We have a feeling that we may be getting into a fairly tight corner on the renunciation of force item although basically our position is unquestionably sound. It seems to us in FE that we are suffering from our inability to state our precise position fully and frankly to key friendly governments; from the need to pull our verbal punches to some extent at Geneva in order to insure the continuation of the talks; from the increasingly serious misgivings of the Chinese Government (see Taipei's 463 of Nov. 17 transmitting the note of Foreign Minister Yeh to the Secretary); from the clever way in which the Chinese Communists are attempting to seize the initiative on the renunciation of force item and masquerade as the real sponsors of the renunciation of force concept. We are getting an increasing number of queries as to where we expect to go if the Chinese Communists should unexpectedly agree to sign some form of textually acceptable renunciation of force declaration? Taipei clearly believes that the Communists might be willing to sign some such form of declaration with no intention of observing it longer than it served their purposes. Taipei knows that no such declaration can be self-enforcing and they believe the Chinese Communists would not hesitate to try to rationalize a violation of any wording which might be proposed. Taipei is asking with increasing insistence, 'Where would you go after you got an agreed announcement on renunciation of force?' " (Department of State, Geneva Talks Files: Lot 72 D 415, Geneva—Correspondence Re US-PRC, 1955-1956)

103. Memorandum of a Conversation, Taipei, November 21, 1955 ¹**PARTICIPANTS**

President Chiang Kai-shek
Ambassador K. L. Rankin
Colonel S. K. Hu, Interpreter

SUBJECT

Economic Situation and Chain of Military Command

After meeting Admiral and Mrs. Felix B. Stump at the Taipei airport late yesterday and escorting them to Shihlin, where they are the house guests of President and Madame Chiang, the latter asked us all to stay to tea. Following the usual pleasantries we rose to leave but the President asked me to stay and talk with him. I did so for about half an hour. In addition to those mentioned above, Madame Chiang remained and listened attentively but took no part in the conversation.

The President began by asking if I had been busy, and made reference to my recent talks with various Chinese Government officials regarding the economic situation. He noted that there were several economic experts in his Government, such as Premier O.K. Yui and Finance Minister P.Y. Hsu. The President hoped that I could help them straighten things out and put the economy on a sounder and more systematic basis.

I replied that I was no wizard and that the economy was in good shape in important respects. Agricultural and industrial production were large and increasing. The foreign exchange position was much better than a year ago. However, we were experiencing inflation, due chiefly to the Chinese Government's excess of expenditures over revenues. There were other factors contributing to the recent rise in commodities, but these were largely seasonal or accidental, and correspondingly less significant. Some of the price inflation was a direct result of prosperity, particularly in the field of building construction where shortages of cement, brick, steel and skilled labor had contributed to a substantial increase in costs even when measured in United States dollars.

One remedy, it seemed to me, might be found in a more definite fixing of financial responsibility as between various Chinese agencies, and also between Chinese and Americans connected with our joint efforts. Although the military program was much larger than

¹ Source: Department of State, Rankin Files: Lot 66 D 84. Secret. Drafted by Rankin. This memorandum was sent to the Department as an enclosure to a letter of December 7 from Rankin to McConaughy, which also enclosed a memorandum of a conversation on November 19 between Rankin and Governor Yen; neither printed.

the economic, it was also simpler in many ways and easier to understand. On the economic side we had to deal with many factors, including intangibles, and responsibility had become too diffused. Under such circumstances, if something went wrong it was only natural for the Chinese to blame the Americans, while the Americans blamed the Chinese.

I ventured to cite two examples of diffused responsibility involving both military and economic factors and to propose, very tentatively, a remedy. The Chinese Government was now purchasing large quantities of crude oil abroad and the substantially increased requirements in prospect for the coming year were causing great anxiety on financial grounds. Much of this increase would be for military needs and the Chinese Petroleum Company would expect reimbursement from ICA counterpart funds (local currency), but the drain on foreign exchange would be serious. At the same time, the Chinese Government was paying for most of the food requirements of its armed forces. To a large extent this was accomplished by obtaining rice below cost from the Food Bureau, which was then forced to borrow from the bank and was running ever further into debt. Meanwhile the United States was also supplying petroleum products and certain items of food, such as soya beans, for the armed forces. This diffusion of responsibility produced confusion, uncertainty, financial irresponsibility and waste.

Whether it would be practicable I was not sure, but it seemed to me logical economically and preferable psychologically that China should assume full responsibility for the feeding of its armed forces (along with such items as their pay, clothing and administration), while procurement of petroleum from abroad, involving as it did large amounts of foreign exchange, seemed more properly an American responsibility under present conditions. I repeated that this was only a tentative proposal, put forward for purposes of illustration, but that I was persuaded of the importance of more definite fixing of responsibility. I felt that the United States should concentrate on a smaller number of major projects in Free China; this did not imply any reduction in total aid.

The President again expressed the desire that the Americans here should help his government to straighten out its current economic difficulties and put the economy on a better basis.

Reference was made to Admiral Stump's present visit and I expressed the hope that President Chiang would find occasion to discuss the defense of the offshore islands and the question of command relationships with the Admiral. I said that I usually tried to keep out of purely military matters, but that I was disturbed by apparent serious differences of opinion between some Chinese and American officers, and between certain Americans for that matter, as

to the best methods of defending Kinmen and Matsu. I was not aware of any significant differences of opinion between Admiral Pride and General Smythe on this subject, but we had a situation in which all of the Americans on the islands were under Smythe and . . . , who in turn were not under Pride although the latter was our responsible operations head in this area. Only Admiral Stump had general authority, I said, and his visit provided an opportunity to iron out any important differences that might exist. I referred specifically to the central fortress now being constructed on Kinmen, which some thought a good idea and others regarded as a serious mistake. ²

² Telegram 272258Z from CINCPAC to CNO, November 27, transmitted a message from President Chiang to Stump and Radford that the Chinese Government would like very much to have Admiral Pride as the overall commander of all U.S. military activities on Taiwan and the offshore islands and that Chiang expected the Chinese Communists to complete the highway and airfield systems on the mainland opposite Taiwan by June and to have the capability for attack on the offshore islands by April. The telegram stated that Defense Minister Yu would be in Washington soon and wished to convey the message to Radford and it reported on Stump's conversations with Yu in Taipei. (JCS Records, CCS 381 Formosa (11-8-48) Sec. 30)

104. Telegram From Ambassador U. Alexis Johnson to the Department of State ¹

Geneva, November 23, 1955—2 p.m.

1212. 1. Two hour and fifty minute meeting this morning. No progress whatever.

2. Towards end of meeting Wang pressed me very hard with some obvious but unknown purpose in mind to commit myself to discussion his draft at next meeting while flatly and categorically rejecting our draft as any basis for further discussion. Although purpose unknown I was quite clear that he had some specific move in mind if I had given flat negative reply. I of course avoided any commitment, repeatedly replying in response to his demands for flat yes or no that I had been and would continue striving for agreement on a text while expressing disappointment lack his concrete responses to specific questions concerning wording to which they objected in our draft.

¹ Source: Department of State, Central Files, 611.93/11-2355. Confidential; Priority; Limited Distribution. Received at 10:12 a.m.

3. I opened meeting with statement on implementation accordance para one Deptel 1281² to which he made brief reply along usual lines.

4. I followed with long prepared statement on renunciation.³ Only somewhat new point I made was that these talks were normal and natural way discussing and settling differences. I said that if his government is as desirous of peaceful settlement disputes as my government, it will enable him make full and honest efforts negotiate and discuss differences here before raising question terminating these talks and substituting another method of negotiation. "When we have succeeded in resolving questions we are called upon to deal with here, then our governments will naturally be in better position consider what further steps might be taken[']".

5. Wang replied with long prepared statement repeating former arguments rejecting our draft, adding nothing new. However he included statement with respect to trade embargo rejecting "US proposal for lifting trade embargo in exchange for PRC agreement US draft announcement on renunciation of force."⁴

6. In my reply and during much give and take I attempted keep discussion focussed upon concrete discussion our draft but he avoided all discussion our draft beyond that contained his original prepared statement and insisted on coming back his draft.

7. Next meeting Thursday, December 1.

8. Departing for Prague this evening, returning Tuesday, November 29.

[Johnson]

² Document 102.

³ See telegram 1215, *infra*.

⁴ In Johnson's detailed report of the meeting, transmitted in telegram 1215, *infra*, he described his reply to this point as follows:

"I replied Wang had misunderstood our position on question of embargo. In inviting his views, I had pointed out fact that measures he termed embargo taken by US in light of security interests. Measures US takes in regard to trade must take into consideration what we consider to be security interests. If US considers that danger of hostilities is lessened or removed, this naturally influences US point of view on trade. However, I certainly did not mean to imply that US willing trade lifting embargo for statement on renunciation of force."

105. Telegram From Ambassador U. Alexis Johnson to the Department of State ¹

Geneva, November 23/24, 1955—midnight.

1215. 1. I opened 27th meeting today with prepared statement on implementation as follows:

[Here follows the text of the statement.]

2. I continued with prepared statement on renunciation of force as follows:

a. I have since our last meeting carefully reviewed our discussion thus far with respect renunciation of force. I have particularly reviewed statements which you have made in this regard including your statement at our last meeting.

b. In doing this I have been seeking to find basis upon which it would be possible make progress in our search for agreement on text for public statement. I am encouraged by progress we have thus far made with respect to principles, but our difficulties now seem revolve in large part around words with which express those principles. I have tried, and will continue try, make my best constructive efforts toward this end and I hope you will also do so. I am satisfied that, if we both do this, our agreement in principle is wide enough permit us reach agreement on words.

c. Mr. Ambassador, I am sorry have to say that I do not feel that your statement at our last meeting constituted such constructive effort. As I said at time, it was confined to generalizations, most of which were of very controversial character and of little pertinence our immediate task. I have tried at previous meetings explain why I felt your draft of October 27 did not best meet situation. I also made effort in my draft of November 10 meet both points of view. In spite of these efforts you simply rejected my draft and demanded that I accept your draft. It is hard for me to reconcile this with genuine desire make progress.

d. In your statement at our last meeting you entirely ignored statement made in my November 10 draft clearly setting forth that announcement was without prejudice to pursuit by each side of its policies by peaceful means. You entirely ignored clear wording of draft and alleged that it constituted requirement on your government renounce its views and policies. I want make it absolutely clear that draft constitutes no such requirement with respect to views and peaceful policies of your government. Draft provides that your government will simply state it will not initiate use of armed force to implement those policies. US Government at same time will renew its often repeated statements in this regard. I cannot see how any reasonable person can possibly misinterpret this proposal on part of my government and say that it calls into question desire of my government seek just and peaceful settlements of disputes between US, including those in Taiwan area and therefore I do not believe argu-

¹ Source: Department of State, Central Files, 611.93/11-2355. Confidential; Limited Distribution.

ments which you gave as alleged basis for rejecting my November 10 draft have a basis in fact.

e. At our last meeting you also again spoke of meeting of our foreign ministers, as if that was only means of peacefully settling disputes. You appear continue confuse basic difference between fundamental principle of unconditionally agreeing peacefully settle disputes and procedural question of what form of negotiation shall be used implement that principle. My government proposed these talks as normal and natural way of discussing and settling our differences. We are both ambassadors fully authorized speak for our respective governments to extent that our governments are willing enable us do so. That is why my government proposed that these talks be at Ambassadorial level. If your government is as desirous of peaceful settlement of disputes between us as is my government, it will enable you to make full and honest efforts negotiate and discuss our differences here before raising question of terminating these talks and substituting another method of negotiation. When we have succeeded in resolving questions which we are called upon deal with here, then our governments will naturally be in better position consider what further steps might be taken.

[f.] At our last meeting you also particularly spoke of inclusion in my draft of phrase concerning right of individual and collective self-defense. I am very surprised at your apparent rejection of inclusion of such phrase as I would have thought that you would have considered it very important. Your interpretation of phrase was very distorted and, read in context of my draft declaration as whole, I do not consider that your interpretation is correct. What phrase simply says is, while we will not initiate hostilities, each of us wish to make clear that, if there is an attack in Taiwan area or elsewhere, we will defend ourselves individually or in concert with others. You have spoken much of principles of United Nations Charter. This principle of right of self-defense is certainly age old, natural principle which is again restated in United Nations Charter, and it is difficult for me see on what basis there can be objection thereto.

g. We have both agreed that our differences of view and disputes between us should not lend [*lead?*] to war, and that it is intent of both of us that we will not permit this happen. Thus draft I have proposed simply says this in as straightforward and simple language as I am able contrive.

h. We both agree that region in which our differing policies and views confront each other most seriously is in area of Taiwan. This is also obvious to world. Therefore, in making such general statement it is important to make clear to world that neither of us has any hidden reservations or qualifications concerning applicability of that general principle to area of Taiwan. My draft thus proposes that we specifically and clearly state this as fact.

i. We also are agreed that in whatever we say neither of us wants sacrifice or prejudice our position with respect to matters at issue between ourselves or others, that is, we do not desire to say something that would prevent us from maintaining our views and pursuing our policies by means other than use of military force. We want to be free pursue our policies by peaceful means. My draft also says this in just as clear and simple terms as I can.

j. We are also agreed on principle that peaceful means should be used for just settlement of disputes between us. It was in accordance with this principle United States proposed these talks and it was hoped that reason your government accepted this proposal was that it also agrees with this principle. United States has done everything possible and will continue do all it can make these talks succeed. My government's purpose in suggesting declaration renouncing use of force as a fundamental first principle was intended contribute this objective, and it will continue be our policy, based on principles of United Nations Charter, strive for just settlement of disputes by peaceful means.

k. I have taken this time carefully explain and amplify my draft of November 10, since from your remarks at our last meeting, it appeared that your government apparently did not have a full understanding of it. I hope that these remarks will serve clarify any misunderstanding that may have existed and enable us make progress in agreeing upon text.

[Here follow paragraphs 3 through 67, which set forth Ambassador Wang's replies and subsequent discussion between the two Ambassadors.]

[Johnson]

106. Telegram From the Acting Secretary of State to the Embassy in the Republic of China ¹

Washington, November 25, 1955—7:37 p.m.

313. Your 347 ² and 426. ³ Following for your background information.

¹ Source: Department of State, Central Files, 793.00/11-955. Secret. Drafted in CA, cleared by Sebald, and approved by Robertson. Repeated for information to CINCPAC and to Hong Kong.

² Document 80.

³ Telegram 426 from Taipei, November 9, stated that the report in the London *Daily Worker* of a Communist Chinese proposal for a joint declaration renouncing the use of force, if confirmed from other sources, would produce a "lively reaction" in Taiwan; it read in part as follows:

"Officials and public on Taiwan continue watch most carefully for any development at Geneva which would represent to them further move toward US recognition of Peiping. Propose joint declaration would be regarded here as highly significant step in that direction. Moreover any suggestion of US action implying acquiescence in status quo of satellites including Red China touches most sensitive spot.

"GRC of course well aware of long established US policy not to resort to force except to meet aggression. However its commitment to use force only after joint agreement with US was undertaking on assumption of continuing American policy looking toward eventual liberation of Red satellites. Joint US-Peiping agreement to renounce force, no matter how worded, almost inevitable would be regarded here as reversal of

Continued

Chinese Communists are undoubtedly capable of following military course of action outlined and US must be prepared cope with them if they do so. One essential step this direction is construction Kung Kuan airfield, and Department is pressing for early allocation funds for this purpose. However, in present world situation, any step-up in Red military activities in Taiwan area has disadvantages for them as well as advantages and our policy should be aimed at maximizing both political and military deterrents to their choice of this course. Apart from our obligation to seek release of our imprisoned nationals in Communist China, Geneva talks are part of our program toward above end and are based on following rationale:

(1) Summit Conference dramatized major powers' awareness of fearful consequences nuclear war.

(2) As a result, any warlike move is subjected to sharper scrutiny and world opinion can be rapidly mobilized against any country taking military initiative which could lead to nuclear conflict.

(3) Chinese Communists' objectives are varied and their pursuit of some would be seriously interfered with by increased saber-rattling in Taiwan area. Such objectives include: (a) "normalization" of relations with Japan; (b) general recognition; (c) admission to UN; (d) removal of trade restrictions; (e) decrease in strength of US armed forces in Western Pacific.

(4) Gains made by USSR in propagation their "peaceful coexistence" line would be jeopardized by Chinese Communist resort to force and Soviets may therefore exert moderating influence.

(5) In this situation, Geneva talks are serving several useful purposes. (a) They have made it more difficult for Chinese Communists to take military action against off-shore islands and Taiwan. More we are able to rally world support for renunciation of force in Taiwan area, more it will cost Chinese Communists in terms of setbacks in achieving their other objectives if they should take up the sword. (b) They have denied Communists opportunity to plausibly represent US as stubbornly refusing settle disputes through negotiation. Had we not taken initiative to begin these talks under conditions of our own choosing, we could have been confronted with unhappy choice of either accepting Chinese Communist proposal to negotiate under far less favorable conditions (e.g., Far Eastern conference) or turning down such a proposal and risking increasing isolation from our allies and influential neutrals. In latter event, it would become even more difficult for us to rally necessary support for GRC's international position. (c) British, French and Japanese pressure to reduce trade restrictions from CHINCOM level has become extremely heavy. Only fact that we are negotiating with Chinese Communists at Geneva enabled us to forestall probably successful

American policy and as implying assumption by US of responsibility for preventing any future efforts by GRC to bring about liberation of China mainland. It would be politically impossible for GRC to accept such situation even tacitly and independent action by US along this line would be regarded as sell-out. Statements by Chinese officials and press editorials, as reported to Department in past, have portrayed GRC position clearly on this score." (Department of State, Central Files, 993.61/11-955)

action to this end at forthcoming CG meeting in December. We argued that it would not make sense to throw away such bargaining counters without something in return and British and French have agreed to withhold action for time being. Foregoing very sensitive, since if Chinese Communists knew Geneva talks were delaying action by European countries to reduce trade restrictions they would have additional motive to break off talks.

In demanding renunciation of recourse to force in Taiwan area, we are endeavoring to place Chinese Communists in position where either acceptance or rejection by them of no force principle would help to solidify world opinion against any subsequent warlike move on their part.

Department is concerned at your assessment that any US-Peiping renunciation of force "no matter how worded" would be regarded by GRC as sell-out, leading to precipitous morale drop "with likelihood of Red take-over in year or so through demoralization and defection." GRC has been aware for some time that US is unwilling to support return to mainland by force of arms. GRC must also realize that disparity in population territory and resources weights scales heavily against GRC in any military contest with Chinese Communists. Consequently, it is in their interest as well as ours to use all political means at our disposal to block, if possible, further development of such a military contest.

Chinese Communists have so far shown no inclination to accept a renunciation of force applicable to the Taiwan area. Should they do so, this would of course have no effect upon the continuing US determination to fulfill its treaty commitments to the GRC. The US does not intend to trade performance for a Chinese Communist promise and it will consequently be necessary to maintain adequate strength in the area to counter the Communist threat, whether or not they publicly renounce force.

Hoover

107. Telegram From the Ambassador in the Republic of China (Rankin) to the Department of State ¹*Taipei, November 29, 1955—5 p.m.*

500. Department's 313.² Re penultimate paragraph reference telegram I trust Taipei's 426³ was received as sent specifying joint US-Peiping agreement to renounce force as being particularly undesirable from GRC standpoint; also that further conditions were noted before reference was made to likelihood of Red takeover. Re last three sentences of same paragraph Department's telegram see detailed report of Secretary Dulles' March 3 conversation with President Chiang.⁴

Above comments not intended minimize gravity of situation but to make certain is straight.

In its natural and proper influence on foreign policy American public opinion may over-emphasize short term considerations as in present case. Intense diplomatic activity involving GRC in fall of 1954, again in late winter and more recently appears to have been prompted in considerable degree by belief large scale Red attack on offshore islands was imminent. Such belief has not been supported by any significant amount of responsible military or diplomatic intelligence of which we are aware and may therefore be ascribed, at least in part, to influence of American public opinion basing itself chiefly on press and radio. More recently impression seems to have gained ground that "tension in Formosa Strait" has lessened, whereas no significant change has occurred; attention simply has been diverted to Middle East for time being.

Preoccupation with possibility of new and early Communist aggression, and with chance of GRC (or ROK) creating incident at any time which might precipitate hostilities, carries with it peril that longer term and graver dangers may receive insufficient attention. Perhaps Reds plan it for us that way. While not excluding possibility of near term accident (presumably desired by neither GRC or Reds),

¹ Source: Department of State, Central Files, 793.00/11-2955. Secret. Received at 10:02 a.m. Repeated for information to Hong Kong and to Geneva for Johnson; passed to CINCPAC by the Department at the Embassy's request.

² *Supra.*

³ See footnote 3, *supra.*

⁴ Reference is apparently to the record of conversation prepared by Chiang's secretary, Sampson C. Shen; see vol. II, Document 138, footnote 3. According to Shen's record, Chiang's comments to Dulles included the following:

"As regards a ceasefire in the Taiwan Straits, now that the Sino-U.S. treaty has come into force, I can assure you that we would refrain from provoking the Chinese Communists. If the Communists do not attack us, neither would we attack them. However, we would never accept a ceasefire even if we have to lose Taiwan. We stand firm in this decision."

or neglecting preparations for such event, it seems more important to prepare for more probable and more serious if more distant developments. It is therefore gratifying to receive further confirmation of Department's support for Kung Kuan airbase project. This and similar substantial steps to deter new aggression, and to facilitate winning limited war if one should come, will be most convincing evidence to Reds that US means business and most likely persuade them to alter timetable to our advantage. By "limited war" is meant kind of hostilities for which US should be prepared in this area on plausible assumption each side hesitates initiate atomic warfare.

Meanwhile any political steps affecting Free China, even indirectly, should be considered in terms of their possible influence on already declining trend of GRC morale as Communist power in East Asia grows apace.

Rankin

108. Telegram From the Secretary of State to Ambassador U. Alexis Johnson, at Geneva ¹

Washington, November 29, 1955—7:34 p.m.

1329. Guidance for December 1 meeting.

1. Implementation. If consonant with situation at time of meeting, impress on Wang there has been no progress this respect since last meeting. No additional Americans released, no more letters received by British Chargé from imprisoned Americans. US Government takes serious view of PRC's unjustifiable delay in implementing its clear commitment under Agreed Announcement. Cite Bradshaw cases ² as evidence personal hardship individuals suffering through PRC's delay.

2. Renunciation of Force. While Wang's hard line at last meeting may presage break in talks or resort to publicity, we believe it may also be deliberate pressure tactic to determine whether we will give any on our draft. PRC would seem not to be in strong position either break off talks or go to public at this moment. Believe we should hold firm on our draft for at least one more meeting. Wang's only

¹ Source: Department of State, Central Files, 611.93/11-2955. Secret; Priority; Limit Distribution. Drafted in CA and FE; cleared in draft by Dulles, Phleger, and Robertson; and approved for transmission by McConaughy.

² Wilda Bradshaw's release was announced on November 17. Telegram 1297 to Geneva, November 22, stated that she was unable to travel alone because of illness and instructed Johnson to appeal for Dr. Bradshaw's release on humanitarian grounds. (*Ibid.*, 293.1111-Bradshaw, H.V. (Dr. and Mrs.)/11-2255)

criticism our draft has been on ground that it would preclude PRC use of force in Taiwan area, which would be true of any draft we presented.

You should follow tactics suggested your 1214³ (omitting introduction revised draft),⁴ with strong attack on ultimatum aspects his position. Without acceding to his insistence that you negotiate on basis his draft, it might be useful probe vigorously to see whether he has any negotiating latitude with respect to it. Press hard on basic defect his draft which is failure apply renunciation force principle to Taiwan area. Argumentation you used last meeting was excellent and you should continue along this general line.

You may wish to point out that Wang has endeavored separate issue in Taiwan area into two parts (paragraphs 46 to 48 your 1215).⁵ The first part he claims is a domestic issue which concerns only the Communists and the Nationalists and in which he retains complete freedom to use force in that area. The second part he defines as an international question involving issues between the Communists and United States. As to this the Communists are willing to renounce the use of force. By this formulation, the Communists seek

³ Johnson proposed in telegram 1214 from Geneva, November 23, that at the December 1 meeting he should "open with very strong attack on ultimatum aspects his present tactics, brief but strong attack on his draft and then introduce new draft which would be essentially same as our present draft but give appearance of something new" and perhaps "include implication willingness see respective positions made public but without express threat to do so." (*Ibid.*, 611.93/11-2355)

⁴ Johnson transmitted in telegram 1216 from Geneva, November 23, a suggested counterdraft for possible introduction at the next meeting; it included identical declarations to be made by both Ambassadors, of which the proposed Chinese declaration reads as follows:

"Ambassador Wang Ping-nan, on behalf of the government of the People's Republic of China, declares that the PRC will refrain from the threat or use of force except in self-defense; and

"In accordance with the principles of the United Nations Charter and generally accepted standards of international conduct, the PRC will always seek the solution by peaceful means of any dispute to which it is a party and the continuation of which is likely to endanger the maintenance of international peace and security; and

"Recognizing the particular importance of relaxing and eliminating tension in the Taiwan area, the PRC declares that the foregoing general principles are specifically applicable to that area." (*Ibid.*)

⁵ Document 105. Paragraphs 46-48 read as follows:

"46. Wang said I should be reminded there are actually two points in question that must not be confused. First, in Taiwan area there exists matter of China's internal affairs—that is, question of China's exercise of sovereign rights in liberty of Taiwan. This falls within scope Chinese internal affairs.

"47. Wang said on other hand there exists in Taiwan area conflict of policy between China and US. We are agreed position in issues between two countries should be settled in accordance purposes and principles UN Charter. We are agreed conflicting policies should not lead to war between us, that is international matter between China and US.

"48. Wang said clear distinction should be made between these two points. It is second point our talks should strive to settle rather than first. He would appreciate further comments on PRC draft."

to deprive the United States of its right to use force in collective self defense, an inherent right recognized by the Charter, while preserving to the Communists entire freedom to use force to take Taiwan any time they wish. This Communist tactic appears designed to handcuff the United States by pious expressions of the renunciation of force to settle disputes while reserving to itself complete freedom to use force to take Taiwan whenever it wishes. This entirely defeats object of seeking declaration on renunciation of force in the Taiwan area which was designed not as a verbal exercise but to remove in fact threat of armed conflict there and thus permit progress in discussion on other practical issues.

Re your 1216, Department considering advisability introduction revised draft at later meeting if deemed essential to forestall break. In any event any changed formulation should not affect our basic position that both sides must renounce force in Taiwan area, and do this before there can be fruitful discussions other issues.

Dulles

109. Instruction From the Secretary of State to All Diplomatic Missions ¹

CA-4199

Washington, November 30, 1955.

SUBJECT

Background Information on United States-Chinese Communist Ambassadorial Talks at Geneva

The following background information on the United States-Chinese Communist Ambassadorial talks at Geneva should be used as appropriate on a confidential basis in conversations with key officials of the government to which you are accredited and diplomatic colleagues. The Department particularly desires to scotch speculation that the talks presage recognition of the Chinese Communist regime by the United States.

The original agreement was that the talks would deal first with the return of civilians to their respective countries, then go on to "other practical matters at issue". On September 10 the two Ambassadors issued an Agreed Announcement in which the Chinese Communists declared that Americans in the Peoples Republic of China

¹ Source: Department of State, Central Files, 611.93/11-3055. Secret. Drafted in CA, cleared and approved in FE, and cleared by Phleger. The source text states that it was cleared with the Secretary, although he did not initial.

who desired to return to the United States were entitled to do so and pledged itself to adopt "further appropriate measures" so that they could "expeditiously exercise their right to return". The Agreed Announcement also provided that Americans in the Peoples Republic of China who believed they were encountering obstruction in departure might request representations by the British Chargé d'affaires on their behalf. The United States made a parallel declaration with respect to the right of Chinese in the United States to return to the Peoples Republic of China if they desired which provided for Chinese to appeal to the Indian Embassy if they believed their departure was being obstructed.

Of the nineteen Americans still held in prison in Communist China following the issuance of the Agreed Announcement, only five have been released to date. The United States is continuing to press at Geneva and through the British Chargé d'affaires at Peiping for early release of the remainder. The failure of the Chinese Communists to fulfill their commitment to allow Americans to return "expeditiously" is causing the United States Government serious concern.

The United States places no restrictions on the departure of Chinese from the United States. The Department knows of no Chinese who claims his departure is being obstructed and the Indian Embassy has so far made no representations concerning any such case.

Under the second item of the agenda, the Chinese Communists asked for the removal of the United States economic embargo and agreement to talks at the Foreign Minister level. The United States asked for a Chinese Communist declaration renouncing force, and an accounting for 450 military personnel missing from the Korean War, and concerning whose fate we have evidence that the Chinese Communists might have knowledge.

Discussion has centered around the renunciation of force item. The United States has proposed that both parties make similar declarations renouncing the use of force generally, and with particular reference to the Taiwan area. The purpose is to remove the threat of war in the Taiwan area. The Chinese Communists have indicated a willingness to make a general renunciation of the use of force, but so far have adamantly resisted our efforts to get them to apply this to the Taiwan area. They insist that the Taiwan question is domestic and refuse to consider any curtailment of their freedom to use military force if necessary to impose their control over Taiwan. They have demanded the withdrawal of United States forces from the Taiwan area. The United States is continuing its effort to bring them to modify this attitude.

With reference to the proposal for a conference at a higher level, the United States view is that the ambassadorial level is the appropriate one. No proposal for higher level talks could even be consid-

ered until the Chinese Communists have permitted all United States citizens to leave, have renounced force in the Taiwan area, and all other practical matters at issue have been disposed of.

The questions of economic embargo and missing military personnel have received little discussion up to the present.

The United States has assured the Government of the Republic of China that it will not discuss at Geneva anything involving the rights, claims and essential interests of the Government of the Republic of China. There has been no discussion of recognition or admission of Communist China to the United Nations, as rumored in the press. Discussion has been strictly limited to subjects mentioned in the preceding paragraphs.

A similar instruction² is being sent to the following consular posts: Algiers, Auckland, Bombay, Calcutta, Chiengmai, Dacca, Dhahran, Frankfort on the Main, Geneva for Johnson, Genoa, Hamburg, Hong Kong, Istanbul, Jerusalem, Kobe, Kuala Lumpur, Lahore, Madras, Medan, Melbourne, Milan, Montreal, Munich, Naples, Nagoya, Naha, Palermo, Penang, Sao Paulo, Singapore, Stuttgart, Surabaya, Sydney, Toronto, Tunis, Vancouver, Yokohama, Zagreb.

Dulles

² CA-4200, November 30. (*Ibid.*)

110. Telegram From Ambassador U. Alexis Johnson to the Department of State¹

Geneva, December 1, 1955—10 p.m.

1240. 1. Twenty-eighth meeting today opened by Wang Pingnan with prepared statement on renunciation of force. Wang said it now two months since discussion this subject began. Draft statement put forward by CPR side October 27² and by US side November 10.³ He has carefully studied drafts and statements made by both sides.

2. Wang said if both sides agreed in principle, it should be possible agree on text announcement. Chinese side always stood for

¹ Source: Department of State, Central Files, 611.93/12-355. Confidential; Priority; Limited Distribution. Transmitted in three parts.

² See footnote 2, Document 85.

³ Transmitted in Document 94.

peaceful settlement international disputes without resort to threat or use of force, in conformity UN Charter.

I had repeatedly indicated US as member UN also willing abide by UN Charter. At last meeting I had indicated US agreed to principle finding just settlement international disputes by peaceful means. On this principle there should be agreement both sides. Whether draft announcement incorporated pertinent provisions UN Charter is technical question and must not constitute obstacle in way of agreement.

3. Wang said in view of agreement this fundamental principle, there should be no difficulty making agreed announcement to effect PRC and USA will settle disputes between them without resort to threat or use of force. Both recognize existence international disputes and agree practical, feasible way should be sought arrive at peaceful settlement. In order realize this CPR side has proposed conference Foreign Ministers. However, I and other responsible members US Government had indicated that present talks should be fully utilized. In order that talks may progress step by step he considered principles agreeable both sides should be confirmed by agreed announcement and talks continued in order find practicable and feasible way peacefully settle disputes between our two countries.

4. Wang said in line with above he was presenting new draft agreed announcement, pledging not to use force in international relations (mytel 1235).⁴

⁴ Johnson transmitted his summary account of the meeting in telegram 1235 from Geneva, December 1, which reads in part as follows:

"1. At one hour forty-five minute meeting this morning Wang opened with prepared statement which was very mild and conciliatory in tone, in very marked contrast to tone prepared statements past few meetings, and closed with presentation new draft agreed announcement which reads as follows:

"a) Ambassador Wang Ping-nan, on behalf of the Government of the People's Republic of China, and Ambassador Alexis Johnson on behalf of the Government of the United States of America, agree to announce:

"b) The People's Republic of China and the United States of America are determined that they should settle disputes between their two countries through peaceful negotiations without resorting to the threat or use of force;

"c) The two Ambassadors should continue their talks to seek practical and feasible means for the realization of this common desire.

"2. In reply I welcomed his statement and characterized it as advance in our negotiations. I then spent about an hour probing on applicability statement to Taiwan area. Best answer I obtained from him was that although Taiwan internal matter beyond scope present talks, willing settle that question by peaceful means. He omitted usual qualification "conditions permitting".

"During give and take he spoke of "step by step" resolution US-PRC disputes and said if during course our talks here I wanted discuss ways and means relaxing tensions Taiwan area or other questions, he willing discuss. There was no renewal demand for withdrawal US forces but reply my question as to whether subsequent negotiations would be conducted under continued threat his side would resort to force Taiwan area if desires not met he replied with somewhat pro forma statement that PRC is one which feels itself threatened in area." (Department of State, Central Files, 611.93/12-155)

5. Wang said for [*before?*] presenting draft CPR side was not abandoning proposal convene Foreign Ministers conference in order relax and eliminate tension Taiwan area. However he would amplify his stand in talks following issuance announcement. Draft announcement embraced all points on which both sides agree and contained nothing disagreeable to either side. He believed we should be able reach agreement on this new draft.

6. I replied I welcomed Wang's statement and felt it represented considerable advance our discussions. I would give draft the detailed and careful consideration I knew it deserved.

7. I said I had one question. Major point of difference between us so far has been whether or not there should be specific mention Taiwan area. I wanted make clear our suggestions in regard specific mention Taiwan area not motivated desire embarrass or trick Wang's Government into abandoning its well known position in regard Taiwan area. Desire for specific mention Taiwan area motivated by desire make clear whatever is said on renunciation of force applies also to Taiwan area.

8. I said on basis original draft and Wang's remarks in course of meetings, there has been doubt in my mind in this regard. I originally raised this question when October 27 draft presented. I asked at that time whether fourth paragraph applicable disputes between us in Taiwan area. I recalled Wang's answer had been yes. However, in subsequently amplifying his position, it seemed to me his government was reserving right to consider situation Taiwan area as domestic matter beyond scope of international matters between our two countries. I understood his position in this regard and did not desire engage in controversy this point. I simply desired know what effect draft announcement would have our dispute in Taiwan area. As I understood his remarks, effect is that his government reserved right at any time interpret situation as domestic matter in which it entitled take offensive military action.

9. I said stated in another way his proposal appeared to me to have been that although we would seem to have agreed renounce force between us, his government would maintain threat at any time of its choosing to initiate hostilities that area. We consider it important that whatever is said on renunciation of force, it be made clear that even though there may be differences in interpretation of situation in Taiwan area, announcement also apply that area.

10. I said this was somewhat long introduction my question, but I wanted make clear our line of thinking. Questions whether or not Wang willing consider mention in some specific way of Taiwan area in order make clear we both consider announcement applies Taiwan area. Said I might add I perfectly willing this be done in manner not

to prejudice his government's position and pursuit by peaceful means of its policies.

11. Wang said we had already spent long period of time discussing this question. Purpose discussions was overcome obstacles in way of settlement between us. Proposal for both of us make announcement originated with myself. Now we have before us two drafts for announcement. Each of us has points which he cannot accept in draft of other one.

12. Wang said however at last meeting I had indicated we agreed on principle making announcement and also agreed on need for peaceful settlement disputes but differed on text of agreement. At last meeting I had also repeatedly indicated that so long as we agreed in principle, there should be no difficulty in agreeing on text. So long as we both serious and sincere in search of agreement, there should be no difficulty.

13. Wang said his side had now made new effort in that spirit. I would note that new proposal did not contain anything to which we not able agree between us at present time. He considered that issues between PRC and US must necessarily be solved step by step. His idea was first to agree on points in common between us. So long as we employed peaceful means for settling disputes, he saw no reason for not reaching agreement.

14. Wang said in regard to mention of Taiwan area, he wished to renew his statements made in past meetings. We must not confuse international with domestic issues. Internal conflict naturally not within scope of present talks. In explaining fourth paragraph October 27 draft and also in presenting present draft, he had made clear disputes between two countries include dispute between us in Taiwan area. It was precisely desire of PRC side that disputes between us in Taiwan area be settled peacefully.

15. Wang said he wished point out that proposal made this morning was very important and put forward only after serious and careful consideration. He was glad to hear my preliminary views and comments this draft. He hoped our side would give careful consideration to this latest offer. He hoped we would be able reach agreement on this draft. Adoption this draft would demonstrate that although we spent great deal of time in discussion, we able make progress and find text agreeable both of us.

16. I said I was still trying to get at heart of matter. I too hoped we can show progress to world. Important thing is we make sure it is genuine progress. Our problem is not give appearance of progress by agreeing to form of words that means one thing to one side and another to other. Problems we face are too fundamental importance for that. I felt we would be doing disservice to both our people and cause of peace if we attempted agree on basis words which had dif-

ferent meanings. That is why I may be appearing so persistent. Purpose is not debate but to try to arrive at understanding. I agreed that problems should be discussed step-by-step. We both agreed that area in which policies confront each other most seriously is Taiwan area.

17. I said what I was trying to get at was this. In making statement such as he had proposed, US would be renewing what I had termed renunciation of force in international relations; Wang's government would give appearance of doing same thing. However, in light of his remarks and fully expressed policy his government, would not his government in fact be saying it considered question of Taiwan area domestic matter and hence reserved right initiate use of force any time it did?

18. I said perhaps I had not made myself clear. I would state my point in another way. While his side was willing make declaration of renunciation of force with US, did it still insist on right interpret situation Taiwan area to permit it to apply force at any time its desires not met? That is, would US have renounced force whereas Wang's government would not have done so because of its reservations in regard to nature of dispute in Taiwan area? Would any further negotiation between us be subject to continuing threat of initiation of force by his government that area?

19. I said I hoped I was not right in this. What I had expressed frankly was my understanding of position Wang's government. I wished he would tell me frankly if I was wrong.

20. Wang said he thought it important to note we were dealing with matters between China and US. If he were to raise matters or policies within scope internal affairs US or if he were to cause apprehensions concerning US policy of internal affairs, he would be guilty of going beyond scope present talks. This would complicate problem between us and would amount to creating difficulties in talks.

21. Wang said draft he had presented can in no way be described as an "apparent" form. He agreed anything we declared should have practical bearing. Difference of policies our two countries in Taiwan area has lead to extremely tense situation over which people of world most concerned. Demonstrating our desire settle disputes by peaceful means without resort to use of force meets with desire people of world. This action in interests both sides.

22. I said I would put my question very bluntly, if this or similar statement were issued tomorrow, would his government have said anything that would prevent it on next day from saying that it considered situation Taiwan area domestic matter and was therefore initiating hostilities there?

23. Wang said my question went precisely beyond scope of talks. As he had repeatedly stated, question of Taiwan is an internal matter of China, which his side also willing settle by peaceful means.

To follow line I had taken, if we were to issue announcement tomorrow, then our discussions have created same result. That is, two countries henceforth willing settle any dispute by peaceful means. That would certainly be welcomed by all. It would demonstrate to world that China and US have made contribution to relaxing tension Taiwan area.

24. Wang said following issuance of announcement, we would continue discussion to find settlement disputes, such as question embargoes and higher level conference between two countries. Then if I wanted discuss further ways and means relax tension Taiwan area, his side prepared join me and continue discussion in this direction.

[25.] I said would this mean discussions would not be held under threat that one side would reserve right initiate hostilities if its desires not fully met?

26. Wang said it has always been stand his side that negotiations should be carried on in peaceful atmosphere. If one were to mention threats, it is his side that felt itself being threatened.

27. I said I had nothing further on this subject. I would study draft and reply more fully at next meeting. Before passing to another matter, did he have anything further?

28. Wang said we had talked a great deal on this subject and new effort his side was being made on basis of what I had said at last meeting. He believed draft is within interest of both of us, and hoped we would progress smoothly on this subject.

29. I said I agreed, and felt our discussion this morning had been most useful. I hoped he would meanwhile consider question I had raised this morning. Amplification of his answers would be most helpful.

[Here follows discussion concerning implementation of the agreed announcement.]

43. Meeting closed with confirmation next meeting Thursday December 8. Same press statement.

[Johnson]

111. Telegram From Ambassador U. Alexis Johnson to the Department of State ¹

Geneva, December 2, 1955—4 p.m.

1241. 1. Believe yesterday's developments reflect major tactical shift in Peiping which will require corresponding decisions on our part. Whatever their motives their draft almost completely meets position I have been taking.

2. Their acceptance renunciation force concept, and agreement to apparently indefinite extension these talks probably stems in part from Peiping estimate repercussions these developments on Taiwan as well as on our allies. Postponement demand for FonMin conference probably influenced by our firm rejection this proposal at present stage, by failure obtain support of Molotov (as well as Macmillan and Nehru) and realization their public position of pistol-to-head demand on this issue was not good. Believe Secretary's communications to U Nu, ² substance of which undoubtedly passed on, also played important part.

3. At any rate PRC has now presented draft which very closely follows line of argument I have been taking in meetings. They therefore have grounds for anticipating its acceptance with little modification. If not accepted they are in very strong negotiating as well as public position and will probably not hesitate quickly to go to public if they consider it desirable bring pressure on us.

4. One question is whether in context negotiations thus far there would be commitment by U.S. to discuss in some form "relaxation and elimination of tension in Taiwan area". Refusal in any way to admit to discussion these talks would be difficult to defend publicly and would support their demand for FonMin meeting. Acceptance will increase strains our relations with GRC but possibly to lesser extent than FonMin meeting. Possibly we can find some subject we can introduce or some unilateral action we can take that would give us at least temporary initiative in this general field.

5. Another question is what other subjects could be introduced or discussed in effort keep talks going so as postpone coming to grips with thorny Taiwan area questions. Trade is now only remaining question and particularly if I must continue indicate complete firmness on U.S. embargo this offers little scope for meetings. While lowering CHINCOM levels fairly promptly following issuance any declaration renunciation force would be useful move, it cannot provide much in way of subject for discussion in meetings.

¹ Source: Department of State, Central Files, 611.93/12-255. Secret; Priority; Limited Distribution.

² Reference is apparently to the message transmitted in Document 70.

6. In light of above I will need as well as much background guidance as it is now possible to give me on what we desire concerning future course of talks.

7. With respect Wang's draft believe situation precludes my introduction new counter draft or return my first draft. On other hand I should have clear idea whether we willing accept his draft with or without such amendments we might suggest. I need not necessarily give final approval at next meeting but will desire avoid taking any positions from which I might later be required to retreat.

8. With respect his draft it seems to me principal question is whether I should press for specific mention of Taiwan. It seems to me from standpoint our relations with GRC and degree to which we are committed to discussion Taiwan area questions with PRC there is much to be said for omission any specific reference to Taiwan in declaration. This also related to whether we are to regard any such declaration as primarily legal or political statement. While statement as presently drafted may contain legal loopholes with respect Taiwan area, regarded as political statement it seems to me it would be extremely difficult for Peiping issue this statement and then turn around and attempt justify attack in Taiwan area on grounds unexpressed fine print. In eyes of world both friendly and enemy, major dispute between U.S. and PRC is in Taiwan area.

9. With respect second para Wang's draft, important note re accurate and literal translation of Chinese original would be PRC and U.S. "are determined that they should settle disputes between their two countries through peaceful negotiations and also will not resort to any (and all) threat (intimidation) of military force". (Chinese text operative portion this para and last para being transmitted by separate tel.)³ This of course much stronger and preferable from our standpoint to English translation given me by Wang, there not being any conditional relationship between negotiations and renunciation of force.

10. Therefore believe that, subject to whatever views Department may have with respect to specific reference to Taiwan, I can and should at next meeting probe on substitution of "and also" for "without" in English text. Wang will probably not commit himself but question will inevitably arise as to whether we prepared accept if they agree our English version.

[Johnson]

³ Johnson's telegram 1243 from Geneva, December 2. (Department of State, Central Files, 611.93/12-255)

**112. Memorandum of a Conversation, Department of State,
Washington, December 6, 1955 ¹****SUBJECT**

Chinese Communist Capabilities for Attack on Off-shore Islands and Taiwan.

PARTICIPANTS

General Yu Ta-wei, Chinese Minister of National Defense

General Ho Shai-lai, Chinese Representative, UN Military Staff Committee, N.Y.

Mr. Robertson, Assistant Secretary, FE

Mr. Sebald, Deputy Assistant Secretary, FE

Mr. McConaughy, Director, CA

General Yu Ta-wei after exchanging warm personal greetings with Mr. Robertson as an old friend, said that he was in the U.S. primarily for medical treatment. One side of his face was still paralyzed as a result of the operation for removal of a tumor, and he had not been feeling at all well. He was going to Columbia University Hospital in New York for further diagnosis. He expected to have treatments after that and would be in the U.S. until about mid-January. He would be available from time to time during the next several weeks for consultation in Washington. He said that General Ho would remain in New York and would be able to represent him after January 15.

General Yu asked Mr. Robertson to bring him up to date on anything he should be informed of. He said that Mr. Robertson was esteemed by the Chinese Government as a friend of China second to none, and his views were held in highest regard.

Mr. Robertson gave General Yu a brief résumé of the course of the Johnson-Wang Ambassadorial talks at Geneva, stressing that (1) no "deal" was being engineered; (2) no matters involving the rights and interests of the Government of China would be discussed; (3) no degree of diplomatic recognition of Communist China was intended or implied; (4) U.S. opposition to admission of Communist China to the UN remained firm; (5) only U.S. objectives in the talks were to obtain the release of U.S. nationals and to obtain Chinese Communist commitment to the principle of the renunciation of force, a principle to which the U.S. was already committed and which it was always willing to reaffirm. He cited the flagrant refusal of the Chinese Communists to carry out their commitment under the Agreed Announcement on the return of civilians.

Mr. Robertson also referred to our concern that the international position of the Chinese Government might be gravely prejudiced if the Chinese Government carried out its apparent intention to block

¹ Source: Department of State, Central Files, 793.5/12-655. Secret. Drafted by McConaughy.

the 18-nation membership proposal about to come before the UN Security Council.² He assured General Yu that the U.S. was also opposed to the admission of the Communist satellites, but it was unwilling to invoke the veto power to block the will of the majority of UN members on a membership question.

General Yu expressed appreciation for what Mr. Robertson had told him. His field was military rather than diplomatic. He wanted to give Mr. Robertson the substance of a briefing which he had given the JCS on Nov. 30³ concerning the development of Chinese Communist military capabilities in the Foochow-Amoy-Swatow area. He said that as a graduate in logic from Harvard, he consistently avoided predictions about Chinese Communist intentions, concerning which no one could be certain. However, much was known about the increase in Chinese Communist military capabilities in South China, and certain conclusions could reasonably be drawn from the rapid growth of these capabilities.

He produced a series of aerial photographs of the City of Amoy and various new airfields under construction in Fukien Province. He pointed out indications of concentrated military preparations in the area just behind the harbor in Amoy. He said that the new airfields going up are not mere landing strips, but are designed as fully

² Reference is to a widely-supported proposal to admit 18 nations to U.N. membership as a "package", an arrangement which was threatened by the ROC Government's declared intention of vetoing the admission of the Mongolian People's Republic. The concern expressed by Robertson was conveyed in messages from President Eisenhower and Secretary Dulles to President Chiang as well in conversations; documentation on this subject is scheduled for publication in the U.N. membership compilation in a forthcoming volume. When the proposal came before the Security Council on December 13, the Republic of China vetoed the admission of Mongolia, and the Soviet Union vetoed the remaining non-Communist countries on the list. A compromise proposal to admit 16 countries, not including Mongolia and Japan, was accepted the following day.

³ A conversation on that date between Defense Minister Yu and Admiral Radford is recorded in a memorandum of conversation by Hedding. A copy was sent to Robertson with a covering letter of December 9 from Hedding which states that it contained the highlights of Yu's subsequent briefing of the Joint Chiefs of Staff. It reads in part as follows:

"He [Yu] stated that he considered next year, 1956, to be a decisive one, that he needed this year for the training of the Chinese Armed Forces. Further, he felt that '56 may well be a decisive one from the point of view of the possibility of Communist attack against off-shore islands, particularly Quemoy. He feels that the ten new fields which the Chinese Communists are building will be completed around the middle of next year, and at this time they should have the capability of launching an invasion of Quemoy.

"He felt that only by reducing or deterring the possibility of this invasion will it be possible to stabilize the situation in this area. He feels that it is a common objective to stabilize the situation, and particularly so for the Chinese Nationalists in order that they may have this time for training of their armed forces. He further feels that only by building up the defenses of Quemoy and making them strong will it be possible to deter an invasion by the Chinese Communists." (Department of State, Central Files, 033.9311/12-955)

equipped operational fields capable of handling jet bombers and fighters. He said that tremendous effort and economic sacrifice were demanded for the construction of these new military facilities in South China. The Chinese Communists were foregoing the use of these resources in West China (Kansu) and in North China where the resources were badly needed for the furtherance of the Communist industrial development plans. He felt that this heavy sacrifice would not be made without a good reason. The Chinese Communists obviously had something in mind in devoting so much of their resources to this South China military build-up. It was not for nothing. Both he and Mr. Robertson knew Chou En-lai well. They could both speculate as to just what the Communists had in mind. It might be just a bluff designed to intimidate, but it could also be more than a bluff. It was necessary to base one's estimates on the assumption that capabilities developed at such cost were intended for use and would not be wasted.

General Yu said that new Communist airfields within striking distance of the off-shore islands and Taiwan now under construction and within sight of completion totaled 10. He said the Communist schedule calls for completion of new airfields at the rate of one a month.

General Yu then produced a photograph of an unexploded Communist shell which he had picked up on Quemoy. He said the type and markings indicated clearly that it was of Russian manufacture. There was no question about Soviet support and supply of the Chinese Communist military machine.

Mr. Robertson said we had assumed this right along; there was nothing surprising about this information.

General Yu said that 6-inch Soviet guns are being emplaced within artillery range of the Quemoy. The Communists are building a bridge or causeway from Amoy to Tateng which will enable them to step up their artillery pressure on the Quemoy.

General Yu said he anticipated a major attack on the off-shore islands might come next June. He felt that the logical Communist course would be to subject Quemoy and Matsu to heavy aerial bombing, using the newly built fields which are within easy range. General Yu said that in such event he felt it would be imperative for the Chinese Government to reply by knocking out the airfields from which the attacks were launched. He said, "I cannot allow my boys defending the islands to be killed without taking measures to protect them". He said that if air raids on the off-shore islands were initiated by the Communists, the U.S. would receive a formal request for its concurrence in retaliatory air attacks on the Chinese Communist bases involved.

He remarked that the Chinese Government did not consider any U.S. concurrence to be required for attacks against Communist positions on Tateng or any other off-shore location since the obligation to seek U.S. concurrence applied only to attacks against the Mainland.

He realized it was up to the U.S. alone to determine what it would do when Quemoy and Matsu came under attack. He was well aware that the off-shore islands were not protected by the Mutual Defense Treaty, and there was no U.S. obligation. However it was his own personal view that the wisest course would be for the President, using the authority granted him by the Joint Resolution of January 1955, to find that the off-shore islands were an area "related to the defense of Taiwan" and to announce that the U.S. would assist as necessary in repelling a Communist attack on the islands. He felt that an advance announcement by the U.S. to this effect would prevent a Communist attack, and would "stabilize the situation in the entire Far East". Actually this would be the most prudent course for the U.S. Otherwise the Communists would be encouraged to attack and the U.S. might be unable to control the situation. He felt that once his Government was compelled to respond to air attacks on Quemoy and Matsu, "the hostilities would probably spread". The Communists would no doubt feel compelled to reply to the Chinese Government counter attacks by striking at the air bases on Taiwan, and no one could predict where the chain reactions would stop. He hoped that the U.S. would associate itself with the denial of Quemoy and Matsu to the Communists since this would be the soundest preventive against the dangerous contingency he had outlined. General Yu regretted that Mr. Robertson had only 15 minutes for the briefing and said he would hope to continue and expand it after his return from the hospital.

Mr. Robertson said that the disturbing facts concerning the rapid Chinese Communist military build up were already known to him. He had discussed the matter with Admiral Radford just the day before. He agreed as to the threatening implications inherent in the Communist build up, mentioning in this connection the construction now under way of a railroad to Amoy. Mr. Robertson stressed that the off-shore islands had not and could not have been included in the Mutual Defense Treaty because there was no finding that the off-shore islands are essential to the security of the U.S. Only the President could exercise the authority and make the determination set forth in the Joint Resolution of Congress.

Mr. Robertson recalled that the positions of the two governments had been more or less reversed as to the off-shore islands. Back in 1952 and 1953, the Chinese Government had not shown much interest in improving the defenses of the off-shore islands,

whereas the U.S. Government had encouraged the Chinese Government to build up these defenses and had assisted it to do so. Now we are doubtful as to the strategic essentiality of the off-shore islands, while the Chinese Government is determined to hold the remaining ones at all costs. Although we had advised the Chinese Government to evacuate the Tachens last January, since we considered them to be of no strategic importance and not defensible because of the great distance from Taiwan, we had respected the desire of the Chinese Government to hold Quemoy and Matsu, and the Ambassadorial conversations at Geneva were intended to restrain the Chinese Communists from starting any military action which might jeopardize the off-shore islands. Hence we felt the talks were in the interest of the Chinese Government as well as our own. Mr. Robertson said he hoped to see General Yu again when he returned to Washington.

113. Telegram From the Secretary of State to Ambassador U. Alexis Johnson, at Geneva ¹

Washington, December 6, 1955—8:06 p.m.

1352. Guidance for December 8 meeting.

1. Department sending by separate telegram ² text communications from British regarding failure Communists transmit two letters from Dr. Bradshaw and British protest and proposed action.

2. You should make strongest protest on this further failure Communists to implement agreed announcement and demand that steps be taken forthwith by Communists show they are acting in good faith and intend make good on their commitments and public representations.

3. Point out with respect proposed declarations on renunciation of force that there has been general agreement both sides on renouncing use force and both sides appear be making progress in arriving at appropriate announcement. We will have further comments

¹ Source: Department of State, Central Files, 611.93/12-655. Secret; Priority; Limit Distribution. Drafted by Phleger, cleared by Sebald and McConaughy, and approved for transmission by Robertson.

² Telegram 1348 to Geneva, December 6, summarized for Johnson a report of O'Neill's efforts on behalf of the imprisoned Americans. He had received a letter from Dr. Bradshaw requesting a visit from an Embassy representative and stating that the authorities had told him they would not transmit two earlier letters he had written to O'Neill because such letters should be limited to a request for a conference. (*Ibid.*, 293.1141-Bradshaw, A.V. (Mr. and Mrs.) /12-655)

to make on Wang's proposal at later meeting, but it is entirely unrealistic to be formulating proposed second public announcement when one already made is being so flagrantly violated. Progress in renunciation force can only be realistically made when Communists show that they are proceeding and intend to proceed in good faith to carry out the public declaration regarding expeditious return civilians already made.

4. With respect to renunciation force proposals Department sending you by separate telegrams our views on this subject and amended text for presentation at later meeting as appropriate.

Dulles

114. Telegram From the Secretary of State to Ambassador U. Alexis Johnson, at Geneva ¹

Washington, December 6, 1955—8:06 p.m.

1353. Deptel 1352, ² paragraph 4. Following are Department's views on renunciation of force for presentation as appropriate at meeting subsequent to December 8.

1. Renunciation of Force. While Wang's new draft represents retreat from original language calling for conference on Foreign Minister level, it still evades clearcut renunciation of force both generally and specifically with respect to Taiwan area, leaving Communists free to use force against GRC and Taiwan. Any subsequent defensive reaction by US forces in compliance with treaty obligation could be claimed as violation by US of commitment not to use force against Communists and as rendering null and void Communists' commitment not to use force against US or Taiwan.

2. In order prevent Communists from claiming later that their announcement does not cover use of force against GRC and Taiwan, we must insist on inclusion geographical concept contained US draft. Department has therefore inserted appropriate language into Communist draft to cover this point (Deptel [1354]). ³

¹ Source: Department of State, Central Files, 611.93/12-655. Secret; Priority; Limit Distribution. Cleared in draft by the Secretary and in substance by Phleger, and approved for transmission by Robertson. The source text lists as drafters Phleger, McConaughy, Clough, and Sebald.

² *Supra.*

³ Telegram 1354 to Geneva, December 6, transmitted to Johnson a proposed revision of Wang's December 1 draft; the only portion which differed from Wang's draft was paragraph B which reads as follows:

3. You will note that our amendment separates renunciation of force in Taiwan area from declaration that US and Communists will settle disputes between them peacefully. We have sought to avoid implication that US will negotiate with Communists on such subjects as status of Taiwan or our relations with GRC. We cannot of course agree to any wording which would bind us to negotiate on subjects involving rights and interests of GRC. At an appropriate time you should state that US will not negotiate such subjects in absence of GRC. You should also at all appropriate times make clear US not recognizing Communist regime.

4. While it is true, as stated paragraph 8 your 1241,⁴ that agreement on Communists December 1 draft and publication thereof would tend to increase difficulty of Communists' future resort to force, it probably would not constitute much if any greater deterrent than their continued participation in negotiations along present lines. Furthermore, declaration would be widely considered concession by Communists, although it would have cost them nothing, and pressure would be placed on US to make return concession.

5. There is danger, as pointed out paragraph 3 your 1241, that Communists may go to public with December 1 draft. If they do, we will counter by pointing out as clearly and simply as possible fundamental defect in Communist draft and their refusal to accept our amendment which proves Communists' intention to be free to use force against Taiwan. In effect, it would leave Communists free to attack Taiwan and the GRC, while preventing US from fulfilling its treaty commitment to go to aid of that government and to use force in individual and collective self defense. We believe this would be strong position, as failure accept our amendment is tantamount to Communists declaring they will use force if they decide to do so.

Dulles

"The People's Republic of China and the United States of America are determined that they should settle disputes between them through peaceful negotiations without resort to the threat or use of force; and they renounce the use of force in general, and with particular reference to the Taiwan area, except in individual and collective self defense."

The telegram further states that the Department had decided not to object to the form of a joint announcement "so that if Communists should break off talks they could not utilize dispute over form of announcement to obscure real issue." (Department of State, Central Files, 611.93/12-655)

⁴ Document 111.

115. Telegram From the Secretary of State to Ambassador U. Alexis Johnson, at Geneva ¹

Washington, December 7, 1955—3:39 p.m.

1355. Your 1260. ²

1. Department did not intend that you place primary emphasis on "welfare" aspect Agreed Announcement. You should continue as in past placing primary emphasis on Communist failure release Americans expeditiously using Bradshaw case as glaring example not only failure release, but refusal to transmit letters, pointing out this forces conclusion that remainder imprisoned Americans are receiving same treatment as Bradshaw.

2. Secretary believes time has come to demonstrate stiffer attitude on failure Communists live up to commitments. Three months passed since Agreed Announcement and only five of nineteen released. Wang has come to regard our weekly protests this subject as routine. Best way of convincing him we take this seriously is concentrate exclusively this subject for one meeting, basing your protest on fact you have been instructed by your Government do so.

3. Bradshaw release before or simultaneous with meeting does not change situation. This would not prove that Communists are carrying out declaration but only that in this case had done so because facts were fortuitously revealed. Bradshaw case is merely example of course of conduct by Communists which is continuing as to remainder still imprisoned. You can point out that Washington felt so strongly on this subject that your instructions were to deal exclusively with it for this meeting and that future progress on renunciation force is of necessity dependent on showing good faith in implementing Agreed Announcement already made.

4. While above tactics may not immediately assist Bradshaw, our conclusion is that from overall standpoint, bearing in mind that ninety days have now elapsed, time has come to take stronger line than heretofore.

5. It is important to show relationship between Communist performance under first Agreed Announcement and question participa-

¹ Source: Department of State, Central Files, 611.93/12-755. Secret; Niact; Limit Distribution. The source text lists as drafters McConaughy, Clough, Sebald, and Phleger. It was cleared in draft by Robertson and approved for transmission by Clough.

² Johnson commented in telegram 1260 from Geneva, December 7, on the Department's instructions for the meeting the following day. He questioned the desirability of placing so much emphasis on the "welfare" aspect of the agreed announcement rather than on the failure to release Americans "expeditiously", and he commented that so much emphasis on the Bradshaw case would put him in a difficult position if Bradshaw were to be released by the time of the meeting and might be counterproductive if he were not. (*Ibid.*)

tion by US in second one. This point should receive strong emphasis in your presentation.

Dulles

116. Memorandum of Discussion at the 269th Meeting of the National Security Council, Camp David, Maryland, December 8, 1955 ¹

Present at the 269th NSC meeting were the President of the United States, presiding; the Vice President of the United States; the Secretary of State; the Secretary of Defense; and the Director, Office of Defense Mobilization. Also present were the Secretary of the Treasury; the Special Assistant to the President on Disarmament; the Director, Bureau of the Budget; the Deputy Secretary of Defense; the Special Assistant to the President for Atomic Energy; the Director, International Cooperation Administration (Item 2); Assistant Secretary of State Bowie; Assistant Secretary of Defense Gray (Item 2); the Deputy Assistant Secretary of Defense (Item 2); the Deputy Director for Programming and Planning, ICA (Item 2); Mr. John H. Tobler, ICA (Item 2); Brig. Gen. James K. Wilson, USA (Item 2); Commander Joseph W. Philippbar, Jr., USN (Item 2); the Executive Officer, Operations Coordinating Board; the Chairman, Joint Chiefs of Staff; the Director of Central Intelligence; the Assistant to the President; Special Assistants to the President Anderson and Rockefeller; the Deputy Assistant to the President; the White House Staff Secretary; the Executive Secretary, NSC; and the Deputy Executive Secretary, NSC.

There follows a summary of the discussion at the meeting and the main points taken.

[Here follows discussion of agenda items 1 and 2: "Significant World Developments Affecting U.S. Security" and "Review of Military Assistance and Supporting Programs".]

3. *Multilateral Export Controls on Trade With Communist China* (NSC 5429/5) ²

In the course of the discussion of the previous item on this agenda, the Secretary of State asked permission to raise the problem

¹ Source: Eisenhower Library, Whitman File, NSC Records. Top Secret. Prepared by Gleason on December 9.

² Dated December 22, 1954, but the portion relevant to this discussion, subparagraph 7-c, received NSC approval on January 5, 1955; see vol. II, Document 2 and *ibid.*, Tab B to Document 1.

of export controls imposed by the free world countries on trade with Communist China. He informed the Council that the British had just served notice on us of their intention within a few weeks of reducing their controls on trade with Communist China to a point where the controls on trade with Communist China were the same as the controls on trade with the USSR and the European Soviet bloc. This move presented the possibility, said Secretary Dulles, that as a result of unilateral British action the whole system of multilateral controls established under the COCOM and CHINCOM committees would collapse. In order to salvage whatever could be salvaged of the free world's control system, Secretary Dulles felt that we must agree to something like the British suggestion. If the levels of free world trade with Communist China were going to have to be changed, they had better be changed by the agreement of the free world nations as a whole rather than as a result of unilateral action by individual free world governments.

At this point Mr. Anderson read to the Council the concluding paragraphs of Secretary Dulles' letter to the President,³ which described the British proposed action, and Secretary Dulles' proposed response.

The President said he thoroughly approved of what the Secretary of State was proposing to do, but he wondered whether we could not do it on an individual basis, agreeing to decontrol specific items rather than proceeding to decontrol the entire China Committee list. Clearly the United States would have to modify its previous position, but the President said he hated to see the whole CHINCOM list torn to bits. Could we not get the British to accept this other proposal of an individual approach to decontrol?

Secretary Wilson said that it seemed perfectly reasonable to him to put trade with Communist China on the same basis as trade with the Soviet European bloc, if for no other reason than that Communist China could get whatever materials it needed via the Russians. Accordingly, Secretary Wilson believed the time had come to go

³ Dated December 8; it is scheduled for inclusion in the economic defense compilation in a forthcoming volume. The letter concludes:

"For the foregoing reasons I must report, in accordance with the requirement of NSC 5429/5, that our efforts to maintain the current differential export control towards Communist China have passed the stage of being divisive; they present us with the prospect of total disintegration of the multilateral control system.

"To salvage this system we must accept a graduated reduction in the China controls to a level which will gain mutual agreement among countries participating in the Consultative Group. I recommend that I be authorized to begin negotiations as soon as possible with the United Kingdom and other interested countries as appropriate with the aim of preserving the multilateral control system and, through its orderly procedures, to maintain the controls over trade with China at the highest negotiable level but in no event below the level of the Soviet bloc controls." (Department of State, CA Files: Lot 60 D 171, East-West Controls with Communist China)

along with the British in their proposal. Secretary Humphrey said that in any event we didn't have a real choice in the matter. The Vice President believed that the President's suggestion of a method seemed a lot better from the point of view of the domestic political repercussions. Governor Stassen agreed with the Vice President.

Turning to the Secretary of State, the President told him to see what kind of deal he could work out with Foreign Secretary Macmillan, even including trying to induce the British to adopt the proposal which he, the President, had suggested.

Admiral Radford observed that the course of action proposed by the Secretary of State was of a very serious nature. In point of fact there were very few remaining controls on the level of free world trade with the Soviet European bloc. Moreover, was our own virtually complete embargo on trade with Communist China also going to be discontinued? On this point the President said he thought we were simply making a bow to Chiang Kai-shek. Admiral Radford then went on to point out that the proposed reduction of the levels of trade with Communist China to those of trade with the Soviet Union would deprive us of about our last means of making a deal with the Chinese Communists with respect to Korea.

Secretary Dulles argued with Admiral Radford, pointing out that the negotiating value of the controls on trade with Communist China had just about reached the zero point. He simply could not hold the dike any longer; his thumb was not big enough. The last time that he had discussed this matter with Macmillan, the British Foreign Secretary was not only firm on this course of action, but was positively angry when Secretary Dulles had argued with him. He had insisted that the United Kingdom was a trading country and simply could not live if it was denied the opportunity to trade throughout the world. Admiral Radford replied that, nonetheless, to reduce our controls on trade with Communist China would have tremendous repercussions. Before we gave in to the British point of view a study should be made of the effects and implications of this course of action. Admiral Radford predicted that if we went through with this proposal we would be "finished" in the Far East.

Mr. Anderson pointed out that for any discussion of this subject the Secretary of Commerce should be present. Mr. Anderson suggested it might be desirable to staff this problem and to present it to the National Security Council at a later date, with the Secretary of Commerce on hand. The President then inquired of the Secretary of State whether the British could be induced to postpone carrying out their

proposal until after their forthcoming visit to Washington in the latter part of January. ⁴

Secretary Humphrey said that it appeared to him that there were two alternatives which we could embrace. We could let the British go ahead and trade with the Chinese Communists while we refused to. This would create a policy split between the U.K. and the U.S. Or, alternatively, we could go along with the British and ourselves trade with Communist China. Whatever we do, said Secretary Humphrey, we can be dead sure that the British are going to make a deal with Communist China.

Admiral Radford again warned that if we accepted the British proposal it would require us to reorient our entire policy towards the Far East.

Governor Stassen predicted that the British would prove willing to yield in some degree from the initial position which they were taking and which the Secretary of State had outlined in his letter to the President. Governor Stassen also took issue with Admiral Radford's earlier statement that most of the items which had formerly been subject to multilateral export controls on shipments to the European Soviet bloc, had now actually been decontrolled.

Turning to Admiral Radford, Secretary Wilson said he nevertheless simply could not see how we could hold to a tougher line on trade with Communist China than we adhered to on trade with Russia itself. Admiral Radford replied by pointing out that the proposed course of action would end by placing Japan right under the control of Communist China, on which Japan would be dependent for coal and coke. An entirely new situation was bound to be created in the Far East. Secretary Dulles replied to Admiral Radford, stating that the pressure on the United States by Japan itself to reduce the CHINCOM list to the same level as the COCOM list, was of such a nature that we would not be able to induce the Japanese to maintain the existing level of controls on their trade with Communist China much longer.

Governor Stassen inquired whether the National Security Council did not need an intelligence estimate on the effects and implications of this proposed course of action. The President said that this was a fine idea, but could the intelligence estimate be prepared in time? Secretary Dulles was inclined to think it could not. He pointed out that if negotiations between the U.S. and the U.K. on this issue could begin quickly, the United States might be able to salvage quite a lot from the wreck of the multilateral framework of controls on Western trade with Communist China. On the other hand, if we

⁴ Prime Minister Eden was scheduled to arrive in Washington for a visit on January 30.

delay inaugurating negotiations, our negotiating position would be impaired. Indeed, it diminished every week and every day that we waited. The British were going to begin to decontrol items on the China list in the middle of January, and Secretary Dulles said he could not agree with Governor Stassen's optimistic view that we could drag out negotiations with the British on this subject for months. Governor Stassen clung to his position, and said that it was based on much experience in negotiating with the British on the subject of export controls.

The Vice President said that it seemed to him that the Secretary of State would simply have to make the best deal he could with the British. Smiling, the President said we would create the Secretary of State "Chief Salvage Official". Secretary Dulles reassured the President and the Council that of course he would not "sell out" to the British, and would indeed make the best deal that he could. Admiral Radford said that he was still terribly concerned about the proposal. When Secretary Dulles pointed out to him that the Chinese got whatever they really needed of Western materials through the Soviet Union, Admiral Radford replied by pointing out that there was a difference of opinion as to how much Western goods reached China via the Soviet Union. Besides, whatever the Chinese Communists do get in this way they are obliged to pay for. There was a great deal of talk about how the United States must understand the necessities which governed British policy. Was it not now about time for the British to take account of the situation and requirements of the United States?

The President pointed out that, according to paragraph 7-c-(3) of NSC 5429/5, the Secretary of State was under obligation to report to the National Security Council if our efforts to maintain current export controls toward Communist China had reached the stage of being divisive vis-à-vis our allies. Did Admiral Radford think that we should tell our British ally to go to hell?

Admiral Radford replied that he was simply arguing that we ought to have more time, and that the British should give us a chance to talk with them about this proposed course of action before they began unilaterally to carry it out.

The President seemed impressed with the point that Admiral Radford had made and, turning to the Secretary of State, said don't fail to remind the British that if they are going to proceed to make all the important decisions before coming to Washington to talk with us, there wasn't much point in their coming at all. Such a line by the Secretary of State, the President thought, might help him to salvage something more, and if the British agreed it would at least give us the interval until the end of January before the decontrolling process began.

At the conclusion of the discussion, Mr. Anderson asked the President whether he wished the NSC Planning Board to do any staff work on this problem. The President replied in the negative, but asked Mr. Anderson to inform the Secretary of Commerce what had developed.

The National Security Council:

a. Noted and discussed a letter to the President from the Secretary of State which:

(1) Advised that the British have put the U.S. on notice of their intention to act unilaterally in early January to reduce the level of export controls on trade with Communist China to the level applicable to the remainder of the Soviet Bloc, without observing the framework of multilateral procedures of the Consultative Group in Paris.

(2) Reported, in accordance with the requirement of paragraph 7-c-(3) of NSC 5429/5, that "our efforts to maintain the current differential export control towards Communist China have passed the stage of being divisive; they present us with the prospect of total disintegration of the multilateral control system."

(3) Recommended that the Secretary of State "be authorized to begin negotiations as soon as possible with the United Kingdom and other interested countries as appropriate with the aim of preserving the multilateral control system and, through its orderly procedures, to maintain the controls over trade with China at the highest negotiable level but in no event below the levels of the Soviet bloc controls."

b. Noted the President's statement that, while the responsible departments and agencies urgently study the effects and implications of the reduction of export controls on trade with Communist China proposed by the British, the Secretary of State should strongly urge the British Government to defer unilateral action until this subject could be discussed at the forthcoming meeting of the President with the British Prime Minister.⁵

Note: The action in b above, as approved by the President, subsequently transmitted to the Secretary of State and to the heads of other responsible departments and agencies, including the Secretary of Commerce, for appropriate implementation.

S. Everett Gleason

⁵ The lettered subparagraphs constitute NSC Action No. 1487. (Department of State, S/S-NSC (Miscellaneous) Files: Lot 66 D 95)

117. Telegram From Ambassador U. Alexis Johnson to the Department of State ¹

Geneva, December 8, 1955—2 p.m.

1263. 1. One hour fifty minute meeting this morning devoted entirely to implementation except for prepared statement by Wang amplifying his replies my questions last meeting on his renunciation of force draft.

2. I opened with long prepared statement fully bringing out all points contained Deptels 1352 ² and 1355. ³

3. After "regretting" I had nothing to say today on his draft Wang made prepared statement amplifying his answers my questions at last meeting particularly regarding applicability draft Taiwan area. He was more specific than previously in saying Taiwan area is heart US-PRC dispute and as such is international matter going beyond domestic matter of PRC's dealings with Chiang clique. New draft is integral whole. PRC still considers removal and reduction tensions in Taiwan area proper subject foreign ministers' meeting but willing discuss these talks if US desires. However refusal discuss and settle this problem would be tantamount to demanding PRC recognize status quo which it will never do. Somewhat more stress than last few meetings on withdrawal US forces as only way remove present threat to PRC.

4. Wang then made already prepared statement on implementation which he tied to my previous statement. Largely reiterated former positions on not discussing matter here but through third parties, vague complaints of US violation agreement during which he mentioned alleged new immigration regulations requiring Chinese students obtain entry permits to Taiwan before given date, with regard which they are asking India make presentation. Would not answer many questions from me with respect to implementation until I answer:

- a) Whether US prepared provide India with complete list names and addresses all Chinese in US.
- b) Assist India in finding out status of Chinese in US.
- c) Rescind all measures violating "spirit" of the agreed announcement.

There was then long give and take during which I stressed not single known case any Chinese obstructed from a departure from US contrasted with situation 14 Americans remaining in prison. Also

¹ Source: Department of State, Central Files, 611.93/12-855. Confidential; Priority; Limited Distribution.

² Document 113.

³ Document 115.

contrasted freedom Chinese US communicate not only with Indian Embassy but with persons in PRC with known facts in Bradshaw letters and failure receive communications from other 12 Americans.

6. Next meeting Thursday, December 15.

[Johnson]

118. Telegram From Ambassador U. Alexis Johnson to the Department of State ¹

Geneva, December 8, 1955—11 p.m.

1269. 1. I opened 29th meeting today with prepared statement on implementation as follows:

[Here follows Johnson's prepared statement.]

2. Wang replied that it was in interests of progress our discussions that his side presented new draft last meeting. Was regrettable I had not been able this meeting put forward concrete views U.S. side on that draft. Certainly hoped, as I had stated, would be able put forward latest views on draft at later meeting.

3. Turning to prepared statement Wang continued that in view of fact I had raised number questions regarding his draft at last meeting, he was willing make few amplifications on that draft. As I had specifically raised at last meeting question whether draft covered Taiwan area, he willing again amplify statement in explicit manner. It is specified in new draft that China and U.S. should settle disputes between them peacefully without resort to threat of use of force.

4. Wang said as heart of Sino-American dispute is precisely centered on Taiwan so it goes without saying that new draft covers this question. That I had said describing Taiwan as area where interests and policies China and U.S. clash seriously shows that tension Taiwan area is international matter and not simply domestic matter how to deal with Chiang clique.

5. Wang said in 1946 Chiang Kai-shek launched large-scale civil war and Chinese people forced to resort to war to overthrow Chiang and establish PRC. Notwithstanding fact some people been adopting hostile attitude towards victory Chinese people, nobody could deny fact liberation of mainland and large number coastal islands by PRC has never created international conflict or danger war. Quite to con-

¹ Source: Department of State, Central Files, 611.93/12-855. Confidential; Limited Distribution. Transmitted in four sections.

trary has greatly benefited stability Far East and has contributed to world peace and security.

6. Wang said in line with consistent stand, PRC willing strive for peaceful settlement disputes when circumstances permit. This includes such domestic matters as Chiang clique. However, this being matter of Chinese domestic affairs must not be made subject these talks.

7. Wang said present situation in Taiwan area is that U.S. side has initiated use of force and is threatening use force in interfering with liberation Taiwan and coastal islands. Is this situation which creates danger to peace? I had chosen skip over this fact, however it cannot be evaded.

8. Wang said each day U.S. armed forces remain in Taiwan area is a day of threat to PRC. According to UN Charter, PRC entitled demand U.S. side remove its forces from Taiwan area in order preserve its territorial integrity. In interest of relaxing tensions, China proposed as it did at Bandung Conference that China and U.S. enter into negotiations to ease and eliminate tension Taiwan area.

9. Wang said party which now using force and threat force is none other than U.S. side. However China is not afraid of American force and threats. China not afraid of proposing enter into negotiations precisely because it determined not to yield to American force and threats. I had indicated that U.S. unwilling enter into negotiations under threat Chinese might use force at any time. Fact is contrary. It is Chinese side being threatened and U.S. side which already initiated use force.

10. Wang said nonetheless, China still desires settle disputes including dispute in Taiwan area through peaceful negotiations. Such negotiations aimed at removing force and threat of force which U.S. already applying against China. PRC side has consistently advocated negotiations, however I must not think PRC side thereby recognizing status quo of U.S. seizure Taiwan and interference PRC internal affairs, which is last thing PRC side will ever do.

11. Wang said new draft envisages two steps. Expresses determination to settle disputes through peaceful means without threat or use force. U.S. side has also indicated it would subscribe this principle. PRC side has taken account of view of U.S. side and draft adds Ambassadors should continue these talks to seek practical means for realization this desire.

12. Wang said PRC side considers that relaxation tension in Taiwan area is too serious to be lightly disposed of in Ambassadorial talks. Settlement these questions should be left to conference Foreign Ministers China and U.S. In presenting latest draft PRC side preserved its proposal for conference between Foreign Ministers China and U.S. for purpose eliminating tension Taiwan area. However, if

U.S. side desires discuss and settle this question in these talks PRC side will not object to making such attempt.

13. Wang said he must stress that new draft is integral whole. Question tension in Taiwan area must be discussed and settled. Refusal discuss would be tantamount to requiring that PRC recognize status quo in Taiwan area and surrender its sovereign rights, which is what PRC side absolutely cannot do.

14. Wang said new draft has already incorporated common ground in our views. If U.S. really sincere in expressing desire for settlement Sino-American disputes, U.S. side should adopt new draft and then continue discussions between us in order seek settlements.

15. Wang hoped these remarks we had made might help me fully consider questions before us.

[Here follow paragraphs 16-51, consisting of Wang's prepared statement on implementation and discussion of that subject.]

[Johnson]

119. Telegram From Ambassador U. Alexis Johnson to the Department of State ¹

Geneva, December 9, 1955—5 p.m.

1272. 1. Particularly in light Wang's clear acknowledgement at last meeting international character our dispute in Taiwan area I still believe that as political document Wang's December 1 draft would have approximately same effect as any more closely drawn document in deterring ChiCom attack against Taiwan or offshore islands. However, believe I can and should thoroughly test Wang's position during next few meetings by presentation and discussion draft contained mytel 1271. ²

¹ Source: Department of State, Central Files, 611.93/12-955. Secret; Priority; Limited Distribution.

² Johnson proposed in telegram 1271 from Geneva, December 9, a substitute for paragraph B in the Department's proposed renunciation of force draft which reads as follows:

"The PRC and USA are determined that they will settle disputes between them through peaceful negotiations, and that, without prejudice to the inherent right of individual and collective self-defense, they will not resort to the threat or use of force in the Taiwan area or elsewhere."

Johnson commented that while he had no reason to believe Wang would accept this draft, he could advocate and defend it in negotiations much more effectively than the Department's draft. (*Ibid.*) Concerning the Department's draft, see footnote 3, Document 114.

2. With respect Deptel 1353,³ as defensive reaction in compliance treaty with GRC mentioned second sentence para 1 would presumably follow initiation use force by ChiComs against GRC, do not perceive how ChiComs could use to justify such initiation use force. In short do not perceive how Wang's draft in any way ties our hands defensively.

3. Seems to me important point is that so long as any declaration carries express or implied commitment seek peaceful settlement ChiComs might claim us failure seek such settlement vitiated declaration and united their hands. Wang's statement at yesterday's meeting carried this implication clearer than at any previous meeting. This is one reason I believe it desirable substitute "and" for "without" in second para draft as again suggested preceding tel.

4. Another important point is that so long as any declaration incorporates word "threat" ChiComs are going attempt establish position that by renouncing "threat" we are obliged remove "threat" presence our forces on Taiwan. Of course they will also continue maintain similar position with respect "force". That is, by stationing forces on Taiwan U.S. has used "force" against PRC territory. However, seems me this can be much more readily handled than point in para 3 above.

5. With respect first sentence para 4 Deptel 1353 I do not see that there is necessarily clear choice between declaration some kind and "continued participation in negotiations along present lines". Gra[n]ted ChiComs appear desire continue present negotiations for at least time being, do not see how we can assume they will indefinitely maintain this desire if they do not feel they are obtaining any substantial return. One practical difficulty is that present trend these talks is to reach point in near future at which there will be nothing left to negotiate about.

6. Of course similar question also arises as soon as any declaration might be issued as suggested in paras 4 and 5 mytel 1241.⁴

7. I thoroughly understand general principles set forth para 3 Deptel 1353 and will state as appropriate.⁵ However problem arises

³ Document 114.

⁴ Document 111.

⁵ Telegram 1372 to Geneva for David L. Osborn (Johnson's adviser), December 10, reads as follows:

"Examine carefully entire record of talks and telegraph Department earliest whether Chinese Communists ever told explicitly US would not negotiate subjects involving rights and interests GRC without their presence." (Department of State, Central Files, 611.93/12-1055)

Johnson's telegram 1276 from Geneva, December 12, replied as follows:

"No record Chinese Communists ever told this in talks. They been told repeatedly acceptance U.S. renunciation force proposal not to involve third parties. For example

Continued

with respect practical application. If for example, does Department consider that any discussion presence our forces in Taiwan area is admissible within scope those general principles or that it would be useful subject? [sic] Of course I would not enter into any commitments discuss additional subjects without specific department approval but background guidance in this general field would be very helpful.

8. With respect para 5 Deptel 1353 I question strength such public position particularly abroad and whether there would be general acceptance rationale especially next to last sentence.

[Johnson]

my October 8 statement introducing item and paragraph 15 my 872, paragraph 13 my 1056." (*Ibid.*, 611.93/12-1255)

For text of the October 8 statement, see Document 65; regarding the meeting at which it was delivered, see Document 71. Johnson's telegram 872 from Geneva, October 14, is not printed. (Department of State, Central Files, 611.93/10-1455) Regarding Johnson's telegram 1056, see footnote 3, Document 90; paragraph 13 is not printed.

120. Memorandum From the Assistant Secretary of State for Far Eastern Affairs (Robertson) to the Secretary of State ¹

Washington, December 12, 1955.

SUBJECT

Guidance for Geneva Talks with Chinese Communists

1. It is proposed to instruct Johnson at the next meeting to limit his presentation again to insistence on Chinese Communist implementation of the Agreed Announcement and to request a recess in the talks until January 5 or 12. Our reasons are given in paragraph 4 of the draft telegram to Johnson. (Tab A) ²

2. Johnson has suggested a revision of Wang's renunciation of force draft so that it will make specific reference to the Taiwan area and allow for individual and collective self defense. (Tab B) This draft appears acceptable to us, but it contains the commitment first introduced by Wang, that both sides will settle disputes between them by peaceful negotiation. If agreement should be reached on this draft, the Communists would immediately seek to push us into negotiations on the Taiwan issue, particularly the presence of our forces

¹ Source: Department of State, Central Files, 611.93/12-1255. Secret.

² The attachments are not filed with the source text, but see telegram 1377, *infra*.

in the Taiwan area. Refusal by us to negotiate at all would give them plausible ground to claim they had been tricked.

Recommendation:

(1) That we avoid final agreement on an announcement on renunciation of force until the Communists have released the fourteen Americans they hold or we are confident they will be released; (2) that if agreement is reached on an announcement and the Communists then propose discussing withdrawal of U.S. forces that we take the position that we cannot make agreements on this, but that the disposition of our forces would naturally depend on the military situation there and when the threat of use of force is removed, we would take this into consideration in our deployment of forces. If the Communists press further for discussion of the status of Taiwan and related matters we must insist on the position that these affect the interests of the Government of the Republic of China and we cannot discuss them without the presence of this Government. (Attached as Tab C is a compilation of statements made publicly and to the GRC to this effect.)

121. Telegram From the Secretary of State to Ambassador U. Alexis Johnson, at Geneva ¹

Washington, December 12, 1955—4:09 p.m.

1377. Guidance for December 15 meeting.

1. In view failure Communists to take any further action implement Agreed Announcement since last meeting, you should again limit your presentation to this subject, emphasizing that progress made on renunciation force declaration is encouraging, but further progress being hamstrung by Communist failure carry out earlier commitment. US Government and people do not understand why Communists should require more than three months to take "further appropriate measures" permit Americans "expeditiously" return. Your presentation last meeting was excellent and can serve as basis further representations.

¹ Source: Department of State, Central Files, 611.93/12-955. Secret; Priority; Limit Distribution. Drafted in CA; cleared in draft by Dulles, Phleger, and Sebald; cleared by McConaughy; and approved for transmission by Robertson.

2. Department concurs in your proposed replies Wang's three questions (Your 1270).² Will consult with British on Miner case³ and advise.

3. Propose recess until Thursday, January 5 (or 12, if possible,) because of Christmas and New Year's holidays which fall on Sundays with following Mondays also holidays.

4. FYI Decision use above tactics based upon following considerations: a) as time passes and Communists evasion of commitments under Agreed Announcement becomes more flagrant, we should increase pressure on this issue in order obtain release US citizens and avoid giving impression weakness; b) we consider Communists probably will not break on this issue for their position on it is weak. They have neither made good on their first commitment nor have they been willing agree specifically renounce force in Taiwan area. Furthermore, UN situation developing so they would probably hesitate rock boat by breaking now; c) renunciation force issue has been dramatized sufficiently through these talks so as to make resort to force more difficult for them than it was. End FYI.

5. Agree with your suggestion for text amendment Wang's draft transmitted your 1271.⁴ You should not submit it at next meeting unless you believe this absolutely necessary to prevent break.

Dulles

² Johnson conveyed his proposals for discussion of implementation at the next meeting in telegram 1270 from Geneva, December 9. He proposed to reply to the three questions Wang asked at the December 8 meeting as follows: (a) the agreed announcement had no provision concerning a list of Chinese in the United States and related only to those desiring to return to China, (b) there was nothing in the agreed announcement concerning investigation of the "status" of all Chinese in the United States, and (c) the United States had taken all necessary measures before the Geneva talks began to remove all obstructions to the departure of Chinese desiring to return to the PRC, and, with regard to measures violating the "spirit" of the agreed announcement, the PRC should not only release the imprisoned Americans but also repeal its exit permit requirement.

³ Johnson suggested in telegram 1270 that he might raise the case of Charles Sydney Miner. Wang had said on September 6 that Miner was being given every assistance by local authorities to complete the settlement of his business affairs and that he should be able to leave within 2 or 3 months.

⁴ See footnote 2, Document 119.

122. Telegram From Ambassador U. Alexis Johnson to the Department of State ¹

Geneva, December 15, 1955—3 p.m.

1286. 1. Four hour meeting this morning devoted entirely to implementation. ²

2. Wang stated PRC is going to issue statement, presumably from Peiping, on implementation in rebuttal of alleged official U.S. Government as well as press statements charging PRC violation agreed announcement. Specific reference made to Secretary's December 6 press statement. ³ In spite my pointing out deliberate effort made in Secretary's statements reduce and allay rising public concern in U.S. over failure PRC implement agreed announcement and our continued efforts keep PRC failures from propaganda forum, it was evident Wang was under instructions and had no discretion on whether statement would be issued. As additional effort discourage statement, I tied request for recess until January 12 to this serious and disappointing action on their part which would reduce hope progress our talks. This obviously gave Wang considerable pause but he remained firm on issuance of statement while rejecting any linking request for recess to such grounds. However willing consider recess based on holiday period. I did not press question of linkage and finally made straight proposal for recess until January 12. Wang agreed consider and inform me later. I urged decision before tomorrow evening. In meanwhile we agreed inform press simply next meeting would be held December 22. ⁴

[Johnson]

¹ Source: Department of State, Central Files, 611.93/12-1555. Confidential; Niact; Limited Distribution. Repeated for information to Paris for the Secretary. Dulles was in Paris for a ministerial-level meeting of the North Atlantic Council.

² Johnson commented in letter No. 19 to McConaughy, December 16, that he had had "serious doubts about the efficacy of the course I have been asked to pursue the past two meetings" and was "not at all clear as to where we go from here." He continued: "Yesterday's session was a very trying one, and towards the end of the meeting I tried to balance myself on the knife's edge in testing their reaction to the continuation of these talks. It was quite clear to me that they certainly did not want a break, at least at this time, but, as I have said in a telegram last week, I do not think that we can safely assume that this is going to continue indefinitely." (*Ibid.*, Geneva Talks Files: Lot 72 D 415, Geneva—Correspondence Re US-PRC, 1955-1956)

³ Secretary Dulles stated at a press conference on December 6 that there had been "a measure of compliance" with the agreed announcement "but not yet a full measure, and, as to that, we are naturally disappointed. But we still remain hopeful that that agreement will be carried out. Otherwise the talks are proceeding in a normal way, having regard to the character of the people we are talking with." For a partial text of the transcript of the press conference, see Department of State *Bulletin*, December 19, 1955, pp. 1007-1011.

⁴ Telegram 1300 from Geneva, December 19, reported that a message had just been received from Wang stating that the next meeting should be held on December

Continued

123. Telegram From the Secretary of State to Ambassador U. Alexis Johnson, at Geneva ¹

Washington, December 20, 1955—6:03 p.m.

1410. Guidance for December 22 meeting.

1. You should point out undesirability public exchanges like last week's ² as they impede real progress in talks. Remind Wang you urged Communists not make statement, but since they insisted US compelled reply. Suggest place for discussions is in meeting not in public and express hope this will be followed in future.

2. Express satisfaction at Bradshaw release, ³ adding hope this portends early release thirteen remaining Americans. Inform Wang US position on implementation Agreed Announcement has been stated in Department's press release December 16 and no further statement required at this time. Add betterment in relations can only be expected as prisoners are released.

3. Propose recess until January 12 on basis Christmas and New Year holidays. If Wang resists point out he said at last meeting he willing consider on this basis and remind him of importance these holidays in US. Issue should not be pressed to point of refusing meet regardless his insistence although you could go so far as to state that in absence any major development you will be in Prague and unavailable to meet on December 29.

4. Department considers that odds against Communists breaking off talks at this time in light developments at UN which they probably would think make it unwise from their viewpoint to break. Therefore, we can press further on implementation without serious risk and with hope of some results. Release of Dr. Bradshaw would seem bear this out. Bradshaw release justifies temporary relaxation

22 so that discussion of the Chinese draft of December 1 should not be further delayed. (Department of State, Central Files, 611.93/12-1955)

¹ Source: Department of State, Central files, 611.93/12-2055. Secret; Priority; Limited Distribution. Drafted by Clough and Phleger, cleared in draft by Secretary Dulles and McConaughy, and approved by Robertson.

² A statement by a Foreign Ministry spokesman in Peking on December 15 charged that the United States had failed to comply with the agreed announcement because it had not provided a list of Chinese in the United States, had stated that the Indian Embassy could contact Chinese residents only if they requested it, and had required Chinese students continuing to reside in the United States to obtain an entrance permit for Taiwan. It declared that the imprisoned Americans had committed offenses against Chinese law, that their cases were being reviewed individually, and that no time limit could be set for their release, which was a matter of Chinese sovereignty. The text is in *Survey of the China Mainland Press*, No. 1192, December 20, 1955. A press release issued by the Department of State on December 16 declared that the Chinese Communist charges were without foundation and that the continued holding of U.S. citizens was a violation of the agreed announcement; for text, see Department of State *Bulletin*, December 26, 1955, pp. 1049-1050.

³ Dr. Bradshaw's release was announced on December 19.

pressure on implementation, but it is desirable avoid discussion other topics at next meeting, particularly in view hard tone Wang's note refusing recess proposal. However if you believe introduction revised US draft essential to forestall break you authorized to do so.

5. You may inform Wang in any case that on January 12 you will have comments to make on his draft and will have some changes to propose.

6. If Wang should accuse US of misrepresentation in stating you had protested "cruel and inhuman treatment" of Americans, you should tell him we referring to Bradshaw case.

Dulles

124. Memorandum of Discussion at the 271st Meeting of the National Security Council, Washington, December 22, 1955 ¹

Present at the 271st Council meeting were the President of the United States, presiding; the Vice President of the United States; the Secretary of State; the Acting Secretary of Defense; the Director, Office of Defense Mobilization. Also present were the Secretary of the Treasury; the Attorney General; the Secretary of Commerce (for Items 3 and 4); the Special Assistant to the President on Disarmament; the Director, Bureau of the Budget; the Chairman, Atomic Energy Commission (for Items 4 and 5); the Acting Director, U.S. Information Agency; the Acting Chairman, Joint Chiefs of Staff; the Director of Central Intelligence; the Deputy Assistant to the President; Special Assistants to the President Anderson and Rockefeller; the White House Staff Secretary; the Director, International Cooperation Administration; Assistant Secretary of State Bowie; Assistant Secretary of Defense Gray; the Executive Secretary, NSC; and the Deputy Executive Secretary, NSC.

There follows a summary of the discussion at the meeting and the main points taken.

[Here follows discussion of agenda items 1 and 2: "Significant World Developments Affecting U.S. Security" and "Recent NATO Council Meeting".]

¹ Source: Eisenhower Library, Whitman File, NSC Records. Top Secret. Prepared by Gleason on December 23.

3. *Multilateral Export Controls on Trade With Communist China* (NSC 5429/5; NSC Action No. 1487 ²)

Secretary Dulles briefly summarized the last Council discussion on this subject. In accordance with the consensus at that meeting he had promptly sent a message to Foreign Secretary Macmillan. ³ This message, which had personally been approved by the President, requested a delay in any unilateral British action to reduce the controls on trade with Communist China until the forthcoming visit of the British Prime Minister to Washington. Secretary Dulles had added in his message that he could see very little point in any meeting with the British if they took actions of this sort prior to the meeting. Secretary Dulles added that he had not been quite as blunt in his language as he now sounded, but very nearly so. Macmillan had replied that he would suspend any "effective action" by the British until after the Washington meeting.

Secretary Dulles said that, pending the arrival of Eden and Macmillan, it was highly desirable that a careful study of the U.S. position in response to British pressure should be prepared. Accordingly, an interdepartmental group within the Council on Foreign Economic Policy had been set up to undertake the preparation of this study. Secretary Dulles then read language which he suggested should be adopted as the "mandate" for the interdepartmental group's study.

Secretary Dulles predicted that we would be obliged to give way somewhat to British demands if the problem were to be solved. Accordingly, we must determine what minimum concessions to the British point of view would be acceptable to us. By this course of action we may be able to hold the COCOM system together.

The President said that as he remembered it, the Council had agreed at its last discussion of this subject that it wasn't eminently sensible to hold completely to our prior rigid position in view of the obvious ability of the Soviet Union to supply to Communist China items which were subject to Western embargo or controls. Secretary Dulles replied that that was indeed his understanding of the prior meeting, and he went on to indicate briefly the rapidly developing communications between the Soviet Union and Communist China.

Mr. Allen Dulles pointed out that there was in existence an agreed National Intelligence Estimate on the general subject of controls on trade with Communist China. ⁴ Accordingly, he believed

² See footnote 5, Document 116.

³ The message, dated December 10, is scheduled for inclusion in the economic defense compilation in a forthcoming volume.

⁴ NIE 100-55, "Controls on Trade With Communist China", January 11, 1955, is scheduled for inclusion in the economic defense compilation in a forthcoming volume.

that the Central Intelligence Agency should be invited to take part in the discussions of the interdepartmental group which was preparing a study of the U.S. position. The President, turning to the Secretary of State, told him to tell Mr. Dodge that at the direction of the President he was to consult with the Central Intelligence Agency on intelligence matters which might arise in the course of this study.

Mr. Dillon Anderson then pointed out that Secretary Weeks had been invited to participate with the Council in the discussion of this matter, and might wish to express his views.

Secretary Weeks said that, like everybody else, he had been completely surprised when the British had served notice on us of their intention to lower the controls on their trade with Communist China. Secretary Dulles broke in to say that he, for one, had not been surprised by the British notice. Secretary Weeks went on to say that he could not understand why the British had made this move, in view of the high level of British prosperity at the present time. What worried him in particular was the danger to the entire COCOM and CHINCOM structures posed by the British move. Secretary Weeks doubted whether the whole system of multilateral controls could survive many more such unilateral blows. Secretary Dulles pointed out that as yet, at least, the British had taken no unilateral action.

Secretary Weeks went on to state that he assumed that whatever the British did the United States had no intention of changing its own policy of embargoing trade with Communist China. This assumption was supported, and Secretary Weeks added that, this being the case, an opportunity would be provided for Japan to get an edge on trade with Communist China—if the British would cooperate. Expressing agreement with Secretary Weeks, Secretary Dulles advised that we should look at this problem with our eyes primarily on Japan rather than on the British. Secretary Weeks said that if the British could be induced to give a break to the Japanese in terms of trade with Communist China, they could do so without hurting themselves very much. The President expressed the opinion that if, in the circumstances, the United States retained its embargo on trade with Communist China, the Japanese could be expected to drive the British out of all competition for trade with Communist China.

Secretary Robertson said that he felt obliged to express once again the very deep feelings of the Joint Chiefs of Staff with respect to the British proposal. In the Defense Department, continued Secretary Robertson, it was sensed that the British Board of Trade was pushing this proposal for decontrol down the throat of the British Ministry of Defense. If this was indeed the case, an opportunity was presented to exert influence on British policy. In recent days the British military people had presented the U.S. Defense Department with such a long list of defense matériel which they desired, that the

list amounted to a book. It might be possible to use their desire for this matériel to induce the British to take a more realistic view of the dangers of decontrolling British trade with Communist China. At least the British military people might be in a position to exert some pressure on the civilians who favored this policy.

The President said that he had one comment to make on this subject. Hadn't the history of the world down to this time proved that if you try to dam up international trade, the dam ultimately bursts and the flood overwhelms you? Our trouble was that our domestic political situation compelled us to adopt an absolutely rigid policy respecting our trade with Communist China and the Soviet Union.

Secretary Robertson pointed out the view of the Joint Chiefs of Staff that there should be no relaxation of the multilateral level of controls on trade with Communist China unless and until we could get some kind of settlement of outstanding issues in return for this relaxation.

The President commented that he supposed we should be as tough as we can with the British in the forthcoming negotiations on trade with China. Nevertheless, he could not forbear to point out that our own policy on trade with the Communist bloc was a patchwork puzzle. The President said that he could still not understand why we proceed to trade in items with the Soviet Union which we will not trade with Communist China. The President added that he was not afraid of Communist China—not in this decade, at least.

The National Security Council:

a. Noted and discussed an oral report by the Secretary of State, pursuant to NSC Action No. 1487-b, that the British Government had agreed not to take effective action on the reduction of export controls on trade with Communist China, until this subject could be discussed at the forthcoming meeting of the President with the British Prime Minister.

b. Agreed that the United States should be prepared through negotiation to acquiesce in an absolute minimum of liberalization of the current level of multilateral China trade controls on the assumption that some reduction will be necessary to retain mutual agreement among countries participating in the Consultative Group.

c. Noted the President's directive that the Council on Foreign Economic Policy, through an interdepartmental group and with intelligence advice from the Central Intelligence Agency, should prepare a study of the U.S. position on this subject, in accordance with b above, for use at the forthcoming meeting of the President with the British Prime Minister.⁵

⁵ The lettered subparagraphs constitute NSC Action No. 1494. (Department of State, S/S-NSC (Miscellaneous) Files: Lot 66 D 95)

Note: The above actions, as approved by the President, subsequently circulated for information and guidance, and referred to the Chairman, CFEP, for implementation of paragraph c thereof.

[Here follows discussion of agenda items 4 and 5: "United States Policy Toward Yugoslavia" and "U.S. Policy on Control of Armaments".]

S. Everett Gleason

125. Telegram From Ambassador U. Alexis Johnson to the Department of State ¹

Geneva, December 22, 1955—2 p.m.

1308. 1. One and one-half hour meeting this morning.

2. Wang insisted on opening making strongest charges to date of US stalling, "insincerity" and renewing line of last meeting on implementation. Made special reference to cruel and inhuman treatment portion Dept release. Statement constituted strong invitation to me to rehash implementation discussion last few meetings.

3. In light subsequent developments at meeting, believe Wang was attempting lay basis for immediate issuance by them of public statement on Agenda Item Two discussions and US failure respond their December 1 draft on renunciation of force. However, believe this was forestalled by my subsequent statement along lines Deptel 1410, ² particularly para 5 which, however, I stated in somewhat less categorical fashion.

4. In reply he reiterated points his opening statement and in noting my statement re discussion his draft proposed January 12 meeting said: "I should say that that would be the last opportunity for us to reach an agreement on basis our new draft. We can permit no further delay. Otherwise we will be compelled to make public the proceedings of our discussions on the second item of our agenda and leave it to public opinion for judgment. We cannot afford to endure definite delay in this respect."

5. Although foregoing statement carries some implication of break-off, I interpret it only to be threat to go to public. ³ Believe,

¹ Source: Department of State, Central Files, 611.12-2255. Confidential; Priority; Limited Distribution.

² Document 123.

³ Johnson commented in letter No. 20 to McConaughy, December 22, that he thought "they were prepared to go to the public today if I had said nothing on their draft". He further commented:

however, introduction our amendments next meeting would probably forestall this.

6. I challenged ultimatum aspect this statement characterizing as threat. In reply he did not withdraw statement but denied it was threat. He proposed and during subsequent give and take strongly insisted on next meeting January 6. I indicated I could not give any assurances would be in position discuss his December 1 draft before January 12. He finally accepted my suggestion. We announced next meeting for January 12 and if in meanwhile any developments either considered to make meeting desirable would get in touch with other. Agreed press announcement would state simply that in view of Christmas and New Year holidays next meeting January 12. Word recess was not used.

Departing for Prague this evening.

[Johnson]

"I think it likely that their present estimate of the situation is that our only interest is in obtaining the release of all of the Americans and that if and when this is accomplished we will be quick to cut off any further negotiations. I feel that our future moves should take account of this probable estimate on their part." (Department of State, Geneva Talks Files: Lot 72 D 415, Geneva—Correspondence Re US-PRC, 1955-1956)

126. National Intelligence Estimate ¹

NIE 13-56

Washington, 5 January 1956.

CHINESE COMMUNIST CAPABILITIES AND PROBABLE COURSES OF ACTION THROUGH 1960 ²

[Here follows a table of contents.]

¹ Source: Department of State, INR-NIE Files. Secret. A note on the cover sheet states that NIE 13-56 superseded NIE's 58, 13-54, and 10-7-54. For texts of NIE 58, "Relations Between the Chinese Communist Regime and the USSR: Their Present Character and Probable Future Courses", September 10, 1952; NIE 13-54, "Communist China's Power Potential Through 1957", June 3, 1954; and NIE 10-7-54, "Communist Courses of Action in Asia Through 1957", November 23, 1954, see *Foreign Relations*, 1952-1954, vol. xiv, Part 1, pp. 97, 445, and 930, respectively.

² A note on the cover sheet reads as follows:

"Submitted by the Director of Central Intelligence. The following intelligence organizations participated in the preparation of this estimate: The Central Intelligence Agency and the intelligence organizations of the Departments of State, the Army, the Navy, the Air Force, and The Joint Staff.

The Problem

To estimate: (a) the political, economic, and military strengths and weaknesses of Communist China; (b) Sino-Soviet relations; and (c) Chinese Communist courses of action through 1960.

Conclusions

1. The Chinese Communists have firmly established their control throughout mainland China, and are energetically attempting to reorganize economic and social institutions and build military power along the lines of the Soviet model. With Soviet help, the armed forces have been greatly strengthened and to a large extent modernized, and economic output has for the most part reached or surpassed previous peaks. As a result of its achievements and growing power, Communist China's prestige and influence in Asia have greatly increased. (*Paras. 10-12*)

2. The Chinese Communist regime is determined to convert its primarily agricultural economy into an industrialized Soviet-style state. To this end it has scheduled large investments over the next few years and, to mobilize resources for the program, has taken measures to restrain consumption and to step up its program for socializing agriculture. In pursuit of its goals, the government will encounter serious problems in the lack of trained personnel, in peasant resistance to government control, and in growing apathy or opposition among the people to the regime's austerity measures. Moreover, as Peiping confronts these problems and attempts to deal with the difficulties of socialization, shifts in the influence of leaders may occur and purges may be expected, especially at lower levels. However, we believe that Peiping's control apparatus will be adequate to maintain the stability of the regime. (*Paras. 29-30, 33-34, 45, 94*)

3. We estimate that by 1957 the Chinese Communists will attain many of the goals of their first Five Year Plan, which emphasizes heavy industry, though there will be shortfalls in steel, pig iron, trucks, petroleum products, and food crops. (See table and note on page 12.)³ They will probably not be able to develop certain of their planned capacities. The gross value of industrial output will probably increase about 75 percent during the Plan period as against the goal

"Concurred in by the Intelligence Advisory Committee on 5 January 1956. Concurring were the Special Assistant, Intelligence, Department of State; the Assistant Chief of Staff, Intelligence, Department of the Army; the Director of Naval Intelligence; the Director of Intelligence, USAF; and the Deputy Director for Intelligence, The Joint Staff. The Atomic Energy Commission Representative to the IAC and the Assistant Director, Federal Bureau of Investigation, abstained, the subject being outside their jurisdiction."

³ Not printed.

of 98 percent. By 1960 the Chinese Communist industrial base, which in 1952 was less than one-third that of Japan and produced only a limited range of manufactured goods, will have greatly expanded, though production in key industries will still be well below that of Japan in 1954. Communist China will still require considerable Bloc assistance to meet its economic needs. We believe that agricultural output will increase by about 10 percent instead of the 23 percent planned by the Chinese Communists but that this will not necessarily affect their industrial goals. However, should agricultural output fail to make this limited increase, industrial goals will almost certainly be adversely affected. (*Paras. 42, 59, 92, and Chart II, page 9.*) ⁴

4. Communist China, with extensive Soviet aid, will have further strengthened and modernized its armed forces by 1960. In the absence of extensive US counteraction, Peiping will retain the capability to overrun South Korea, Taiwan, and mainland Southeast Asia. However, Communist China will still suffer from military weaknesses, particularly air defense deficiencies and lack of an adequate indigenous armaments base. We have no evidence that Communist China possesses any nuclear weapons, and it has only a primitive nuclear research capability. However, if the USSR were to provide the necessary equipment and technicians, the Chinese Communists could in a short time achieve the capability to use nuclear weapons. (*Paras. 91, 93*)

5. The relationship between Communist China and the USSR has become one of an alliance bound together not only by ideological ties, but by common hostility to the US, military interdependence, and the mutual advantages of concerted diplomatic and "revolutionary" activities. Peiping's military and economic dependence on the USSR will cause it to continue to give Moscow's views great weight on major questions of global policy. However, Peiping's tactical position in many areas gives it considerable potential for influencing Moscow. Although potential conflicts of interest exist, we believe that common objectives and mutual advantage, and Peiping's continuing dependence on Moscow, will serve to prevent any significant weakening of Sino-Soviet ties at least through 1960. (*Paras. 95, 98-100, 102-103*)

6. Chinese Communist foreign policy will continue to be focused on gaining control of Taiwan, reducing Western (and especially US) influence in Asia, and extending their own in the area. Peiping will continue to pursue policies emphasizing political rather than military action as long as its objectives are acceptably served by this means. The major factor in this consideration will be their estimate of the risk of US military counteraction; thus Communist China will prob-

⁴ None of the charts or maps are reproduced.

ably emphasize political action over the next two or three years. The Communists may again resort to military action at any time they estimate that the benefits to be obtained will outweigh the military consequences of such action. In behalf of the joint Sino-Soviet policy of "competitive coexistence with the capitalist bloc," Peiping is likely to play up to neutralist and nationalist sentiment in Asia, manipulate the Indochina and Taiwan issues to divide the West, and exploit such vulnerable situations as ROK-Japanese and Indian-Pakistani tensions to win further Asian support for the Bloc. The Chinese Communists will probably endeavor to have their approach to international problems characterized as conciliatory and flexible, but Bloc policy will probably permit no major concessions to the West and its Asian allies. At times, in fact, Peiping will probably assert its power ostentatiously, but within the general limits of Bloc strategy, in order to reaffirm its particular claims and pretensions. (*Paras. 105-106, 112-113*)

7. The Chinese Communists will probably continue their build-up in the area opposite Taiwan and the offshore islands in order to increase pressure on the US and Nationalist positions. They probably do not intend to attack Taiwan so long as the US maintains its commitments to the Nationalists, but they may expect to induce a gradual erosion of the Nationalist position. Moreover, unless Peiping comes to believe that it can obtain the offshore islands by negotiation, it will almost certainly conduct probing operations against them. If the Chinese Communists became convinced that the US would not assist in defense of the islands with its own forces, or react in strength elsewhere, they probably would attempt to seize them. Should Peiping's forces successfully occupy the Nationalist-held offshore islands without incurring US military retaliation, there would be an intensification of the campaign to obtain Taiwan. (*Para. 119*)

8. Peiping will continue its efforts, in conjunction with the Hanoi regime, to expand Communist influence and control in South Vietnam by attempting to discredit and undermine the authority of the Diem government through propaganda and diplomacy. Even if the Viet Minh are delayed in extending their control over South Vietnam, Peiping will probably not encourage the Viet Minh to renew open hostilities. However, at some point Peiping probably will encourage increased Viet Minh guerrilla activity in South Vietnam. Actions beyond that phase would probably depend upon the effectiveness of Diem's counteraction and the response of the US and the SEATO powers. (*Para. 121*)

9. The possibility of a Communist-initiated war in the Taiwan Straits, Vietnam, Laos, and even Korea will continue to exist. Moreover, Peiping would almost certainly react with force if Communist

control of North Korea or North Vietnam were seriously threatened. It would almost certainly retaliate to any sharp increase in the level of Nationalist attacks against the mainland. (*Para. 116*)

Discussion

10. The basic objectives of the Chinese Communists appear to be: (a) to develop a Soviet-style state in China with a strong industrial economy and a modern military establishment; (b) to eliminate Western (and especially US) influence and power and to achieve dominance in East Asia; (c) to establish control over Taiwan and other areas which they regard as traditionally Chinese; (d) to achieve recognition as a major world power; and (e) in general, to promote the goals of international communism.

11. Since its formal establishment in Peiping in 1949, the Communist regime has shown flexibility, skill, and ruthless determination and has made significant progress toward the achievement of its goals. Its authority is firmly established and its control effective throughout the mainland area. War-torn and neglected industry and communications were largely rehabilitated by 1952, production in most important sectors has reached or surpassed prewar peaks, and socialization on the Soviet model is well advanced in all fields except agriculture and retail trade. The armed forces have made great progress in the evolution from lightly armed formations to well-organized regular units with modern Soviet equipment.

12. The regime has also greatly enhanced the influence and prestige of Communist China in Asia. Its power and ability to influence Asian developments were demonstrated in Korea and Indochina. Its stature among Asian states has been enhanced by its skillful diplomacy at Bandung and by the establishment of contact with the US on the ambassadorial level. Strong pressures have developed in the Free World for a reduction of controls on trade with Communist China and for its entry into the UN. Meanwhile, the Sino-Soviet alliance has given Peiping considerable strategic security and access to the material resources of the Bloc, both of which have greatly reduced Peiping's vulnerability to non-Communist pressures.

13. However, during the period of this estimate Peiping almost certainly will not sustain the momentum of its first five years. The Chinese Communists have only recently come to grips with the basic problems involved in the creation of a socialized national economy, and these will be difficult to resolve even with the benefit of Soviet experience.

I. Domestic Problems

14. The Chinese Communists define the present stage of their internal development as "the transition to socialism." while they are relying on Soviet experience, their tactics continue to be modified by Chinese Communist experience and by flexibility toward groups which they regard as basically hostile. Peiping has sought to utilize the party's monopoly of power and the state's direct control of economic key points to coerce the remaining private producers of goods and services into accepting socialist economic forms. Periods of pressure and social change have been followed by brief respites. This tactic of "tension and release" has been applied in recent years both to unnerve the populace and to destroy whatever cohesiveness and independent leadership the intellectuals, private entrepreneurs, and well-to-do peasants may have possessed.

Political Situation

15. The government of Communist China has recently been re-organized, with control further centralized in Peiping. Although the constitution of September 1954 vests formal governmental responsibility in the National Peoples' Congress, this body is primarily a forum for publicizing already decided policy. Between the infrequent sessions of the Congress, most of its functions are exercised by its Standing Committee. The Standing Committee has nominal supervision over the State Council, which in turn directs all the central government ministries, including the Ministry of Defense, and supervises the operation of provincial and local governments and the governments of "autonomous" minority areas. (See Chart I, page 5.)

16. *Party Leadership.* The Chinese Communist party dominates and controls the government structure. Although we have little information on the distribution of power within the party, the supremacy of party chairman Mao Tse-tung appears absolute. Mao is Chairman of the party Politburo and of the Secretariat of the Central Committee, as well as formal head of the government.

17. Mao's position under the new constitution requires a less active role in the formal direction of governmental affairs, and important areas of influence appear to have been delegated to other leaders. Liu Shao-chi, who ranks next to Mao in the party hierarchy, seems to control the party organization; Chou En-lai, who ranks third in the Politburo, has become the dominant figure in government administration and foreign affairs; and Chen Yun seems to have the largest role in economic affairs. Although Chu Teh is a venerated military leader and Vice Chairman of the "Peoples Republic of China," he is nearly 70, and Peng Te-huai, newly appointed as Minister of Defense, has assumed active leadership of the armed forces.

18. The first high-level party purge since 1938 took place during 1954 when Kao Kang, state planning chief and sixth-ranking member of the Politburo, and Jao Shu-shih, party organizational chief, were removed from the party and imprisoned together with a number of their associates. Kao's death has since been announced, but Jao's fate is unknown. Kao and Jao had both been veteran members of the Central Committee and had been the ranking party leaders in North-east and East China respectively until 1953.

19. While the actual details of the Kao-Jao affair still remain shrouded in mystery, the chief reason for the purge was probably an effort by Kao, Jao, and their supporters to broaden their own power. Despite official denials, some differences over issues of domestic policy may have been involved. Kao and Jao may also have attempted to make common cause with some of the military leaders, but apparently with little success, since no ranking military men have yet been involved in their disgrace.

20. In any event, there is no evidence that the purges have had any lasting effect on the stability of the inner core of party leadership or its ability to control the party. Simultaneously with the purge announcement in April 1955, the party announced a new control commission to check on party discipline. As the regime confronts the problems of socialization, shifts in the influence of leaders may occur and purges may be expected, especially at lower levels.

21. The question of Mao's successor will grow in importance since Mao is now 62 and possibly in poor health. It is doubtful if any individual in the event of Mao's death would be in a position for some time to assume the full authority held by him, and an effort would probably be made to establish some sort of collective leadership.

22. Liu and Chou would probably be in the best positions to bid for pre-eminence. Liu, second only to Mao in formal party listings, is known as a theorist whose attention has been largely focused on internal party matters. Chou has had a broader range of experience and contacts and has a reputation for tactical elasticity. However, their expressed views on major policies have not been in conflict. Barring any major setbacks to the regime, the differing backgrounds of these and other leaders appear more likely to serve as complementary forces in implementing agreed policy than as causes of serious conflict.

23. Although the prestige of the army and the role of its leaders remain great, the direct role of the army in planning and policy has been steadily curtailed, particularly since the dissolution of the regional governments in 1952-1954. The newly created National Defense Council appears to be largely an advisory body less powerful than its predecessor, the People's Revolutionary Military Council.

Control of most of the internal security forces has been taken away from the armed forces and placed under the Minister of Public Security. There appears to be increasing integration of the civil and military elements of the government.

24. There is firm evidence of actual conflict between professional military leaders and the primarily political group. It is possible that there may have been some sympathy among military commanders for the alleged belief of Kao Kang that "the party was created by the army" and that those with party experience in the old revolutionary base areas should take precedence over nonmilitary leaders. However, the high party status of many military commanders gives them a vested interest in the regime, and the long established system of political officers within the army provides a constant check on the activities of military leaders. We believe that there is little prospect of differences which would seriously affect the cohesion or stability of the regime during the period of this estimate.

25. The Chinese Communist Party, with a membership of over eight million or 1.33 percent of the population, is substantially smaller in proportion to population than Communist parties in other Bloc countries. Although there is no shortage of potential members, there is a serious problem in quality and political reliability. An eight-year program of systematic political indoctrination was initiated in 1955 for some five million party members and nonparty intellectuals. Despite these efforts to improve the quality of the party, governmental efficiency will continue to be hampered by low levels of literacy and by friction between old revolutionaries and new bureaucrats.

26. *Popular attitudes and support.* Tight control and a series of repressive campaigns since 1951 have dissipated some of the support the regime initially enjoyed, leaving much of the populace disillusioned or disaffected. Discontent mounted during 1954 and civil disobedience at the local level increased. Official announcements allege that there were 364,604 cases of "subversion" and "economic sabotage" from February 1954 to May 1955. These activities occurred in both urban and rural areas throughout Communist China. The principal causes appear to have been local food shortages resulting from the floods and droughts of 1954, the pushing of grain collection and agricultural socialization, and the forced austerity program. Discontent seems to be particularly marked among the peasantry, and at least one open "peasant revolt" is admitted to have taken place in April 1955.

27. Communist efforts to remold the traditional Chinese social system have also met with considerable resistance. Their attempts to destroy family proprietorship and family cohesion have generated widespread resentment. The regime has slackened its efforts to en-

force its marriage law, and reform of the family is now being attempted primarily by the indoctrination of youth.

28. Chinese intellectuals, many of whom have been educated in the West or exposed to Western thought, also pose a serious problem to the regime, which is still dependent on their skills. The campaign to obtain their conformity was accelerated in May 1955 when Hu Feng, a writer who pressed for greater freedom of expression, was accused of leading a vast conspiracy against the state. Abject confessions by intellectuals were published and mass meetings were organized to denounce and expunge "the remnants of Hu Feng thought" in such widely diverse fields as medicine and plant management.

29. At present, popular discontent is too sporadic and disorganized to pose a serious threat to the stability of the Peiping regime. The recent emphasis on security and the heightening of vigilance during the past year may have been partly intended to provide a rationale for continued austerity and stringent economic controls by creating an atmosphere of fear and tension. The regime now has a large and effective control system, including an internal security force of about 500,000 men in addition to the army. At the local level, a system of "security defense committees," "urban residents' committees," and other mass organizations provides additional controls which extend into every street and small community. As the process of socialization progresses over the next five years, popular discontent, particularly in rural areas, is almost sure to increase. However, the regime will almost certainly be able to repress such discontent.

The Economy

[Here follow paragraphs 30-67, which discuss the Chinese domestic economy, including the Five-Year Plan and prospects for its implementation in the industrial and agricultural sectors, manpower problems, and transport facilities. The major conclusions are summarized in paragraphs 2 and 3 above.]

68. *Foreign trade and Soviet assistance.* Communist China is dependent on imports for essential elements of its industrial and military programs. Fifteen percent, or \$2.75 billion, of capital construction expenditures under the Five Year Plan are allocated for imports of machinery and equipment, while expanding industrial output is increasing import needs for raw materials and other production requisites. However, except for grants and credits supplied by the Soviet Bloc, Communist China's ability to obtain such goods is presently limited by its dependence on agricultural exports. Agricultural commodities accounted for about two-thirds of total Chinese Communist exports in 1954. Chinese Communist ability to trade is also adversely affected by the complete closure of the US market and by lesser restric-

tions maintained by other Free World countries on exports to Communist China. Finally, Bloc markets are apparently having difficulties absorbing certain Chinese Communist exports.

69. The Chinese Communists announced that their total foreign trade in 1954 amounted to the equivalent of roughly \$3.4 billion. Although they claim that their foreign trade was "fundamentally in balance," we believe there was probably an excess of imports covered by Soviet Bloc credits. While the nature of such imports and Soviet property acquired by such credits in 1954 is not known, there are indications that the total value could have been as high as \$400 to \$500 million.

70. Communist China's trade became increasingly oriented toward the Bloc in 1954. Trade with the Asian and European Satellites increased significantly over 1953 levels and remained at approximately the same level with the USSR, excluding that covered by Soviet credits. Even after taking into account Satellite resales of Chinese Communist goods to non-Bloc countries, the Bloc still accounted for about three-fourths of Communist China's trade.

71. In 1954 the value of Chinese Communist total trade with the Free World was greater than in 1952 and probably approximately the same as in 1953. However, there were sharp increases in trade with Japan and Pakistan. The recorded exports of the principal non-Communist countries to Communist China in 1954 were:

	(in US \$ millions)
Hong Kong.....	67
Ceylon.....	48
Pakistan.....	26
West Germany.....	21
Japan.....	19
UK.....	18
Egypt.....	11
France.....	8
Malaya.....	7
India.....	6
Italy.....	5
Other.....	36
Total.....	272

The tonnage of Free World exports to Communist China has increased steadily from 497,000 tons in 1952 to 692,000 in 1953, and to 858,000 tons in 1954.

72. The Chinese Communists have stated that their foreign trade in 1954 totalled over 9 million tons. We believe that this is an in-

complete figure, and that the total may have amounted to between 10 and 11 million tons. About 5.1 million tons moved by sea compared to 4.8 million tons in 1953. Almost all of Communist China's trade with the non-Communist countries, and about 25 percent of its trade with Bloc countries, was carried by sea. The bulk of Communist China's trade with the Bloc was carried overland.

73. To meet requirements of the Five Year Plan, the Chinese Communists propose to increase total foreign trade by 65 percent during the period, primarily through expanded exports of minerals, handicraft products, and agricultural products. It is estimated that Communist China could readily expand its exports of coking coal and iron ore (e.g., to Japan) without substantial new investment. However, Communist China may have trouble marketing increased quantities of handicraft and higher priced agricultural products to Bloc countries because there is a question of the ability of the latter to absorb such increases or profitably to re-export them. The decline of Chinese Communist exports to the Free World has stimulated Free World production and use of substitutes for some traditional Chinese Communist products.

74. Although increased trade with the Free World would almost certainly develop if present trade controls were relaxed to the level maintained with the European Bloc, such increases would probably not constitute a substantial reorientation of Chinese Communist trade. Such a relaxation of trade controls, if it included those of the US, would not greatly increase Communist China's ability to secure commodities not now available through transshipment, but would permit an increase in exports to markets not now open and would reduce import costs on certain items. We believe that such a relaxation of controls could increase Communist China's annual import capabilities by about \$150 million, of which about two-thirds would be due to the reduction of US controls. The total of \$150 million is roughly equal to about a quarter of Communist China's imports of capital goods, including iron and steel, and about 5 to 10 percent of the adjusted value of Communist China's capital investment program in 1955. To that extent, the buildup of Communist China's economic and military potential could be accelerated. There would also be a reduction in internal Bloc transport costs, amounting to approximately \$100 million equivalent. It is impossible for us to allocate such savings as between Communist China and the other Bloc countries. A relaxation of controls would increase flexibility in planning, procurement, and shipment. However, it probably would not result in any significant changes in Communist China's basic foreign or domestic policies.

75. Peiping has exploited the issue of trade controls to divide the US from its allies and has charged that US insistence on controls is

responsible for economic difficulties in Japan, Thailand, the Philippines, and other Asian countries. If controls were relaxed, Peiping would continue its propaganda campaign against the US, but would seek to expand trade contacts with other Asian states, especially Japan, and would continue to use trade as a means of penetration and trade offers as an instrument for political warfare.⁵

76. An increase in trade controls on Communist China alone would probably increase the volume of transshipped goods but would not appreciably retard Communist China's internal development. However, if all Western countries now applying controls were to apply an embargo on Chinese imports similar to that now observed by the US, Communist China would lose markets now taking almost 20 percent of total exports. Since Bloc markets are not believed to be readily expandable, it is probable that Communist China's import capabilities would be reduced proportionately, unless Soviet Bloc credits were increased. Such a reduction in export earnings would probably significantly retard Communist China's internal development.

77. Soviet credits have been an important factor in helping Communist China obtain imports. The value of announced Soviet economic aid totals \$430 million, made up of a \$300 million credit extended during 1950-1954 for rehabilitation and reconstruction, and a \$130 million credit extended in 1954. In addition, Chinese Communist budget announcements since 1950 have indicated that other Soviet credits have been given to Communist China. In 1954, the amount appears to have been \$400 million. In 1955, the amount apparently was larger, with the major portion earmarked for military purchases.

Military Situation

78. The power of the Chinese Communist regime is based on the strength of its armed forces and its great reservoir of potential military manpower. Since the end of the Korean War, Communist China has strengthened and to a large extent modernized its military establishment. However, it continues to depend on the USSR for heavy armaments, complex equipment, POL, and almost all naval and air equipment.

79. *Army.* The Chinese Communist army consists of about 2,500,000 men organized in 115 infantry, 22 artillery, 4 cavalry, 3 armored, and 1 to 3 airborne divisions, as well as other miscellaneous units. Approximately 40 percent of army strength is located in North and Northeast China and Korea, and another 40 percent in East and

⁵ The political effects of reducing trade controls are considered in SNIE 100-56, "Political Effects of a Relaxation of Controls on Trade with Communist China," 17 January 1956. [Footnote in the source text.]

Central South China, with relatively few troops in the interior. (See Map 2.)

80. Substantial improvements in organization, equipment, and training have been made since the end of the Korean War. Actual strength of most infantry divisions is estimated at 15,000 men, and division organization includes an artillery regiment of 36 field pieces. Tank regiments are believed to be organic to the army troops of 2 of the 37 armies and to 16 of the 115 infantry divisions. Standard armored division equipment includes 80 medium tanks, 8 heavy tanks, and 8 self-propelled guns. Twelve of the artillery divisions are field artillery, standard equipment of which includes 108 pieces of calibers up to 152 mm. However, the amount of equipment actually present in armored and artillery units is believed to be somewhat less than TO&E.

81. General army morale is believed to be high because of increased professionalization and ideological indoctrination as well as the privileged social status accorded the soldier. The adoption of universal conscription in July 1955 will probably increase service morale by fixing the terms of service and rationalizing induction methods. However, a significant increase in general popular disaffection, particularly among the peasants, might adversely affect the morale of many servicemen.

82. The numerical strength of the Chinese Communist army will probably not increase through 1960 unless the Chinese Communists feel themselves faced with imminent large-scale war. However, beginning in 1958, the conscription law will increase the body of trained reserves by requiring reserve duty of most of the estimated 450,000-600,000 troops to be discharged annually and an unspecified number of men under 40 with no previous service.

83. By 1960 the army is expected to have completed the process of incorporating a tank regiment and increased artillery and heavy weapons into each infantry division. Standardization of light weapons of Chinese Communist manufacture and heavy armaments of Soviet manufacture will be virtually complete.

84. Chinese Communist vulnerability to air attack has caused them to place considerable emphasis on antiaircraft defense. Most combat divisions now include antiaircraft battalions for local protection. Five antiaircraft divisions and some 19 independent antiaircraft regiments have been identified. Fire control equipment, especially radar, appears to be in short supply. With expected increases in equipment and further training during the period of this estimate, the Chinese Communists will probably develop a substantial antiaircraft capability.

85. *Air Forces.* Chinese Communist air (including naval air) forces have an estimated total strength of 2,270 planes (including 1,485 jets)

and about 80,000 personnel. Through 1960 the principal offensive air weapon will be the jet light bomber force, which presently consists of an estimated 310 Beagles and which will probably reach approximately 590 by 1960. Although presently stationed mainly in bases near Korea and Taiwan, this bomber force could be redeployed so as to reach any target in [Southeast] Asia north of the Malay Peninsula and the southern Philippines. (See Map 2.) It is handicapped by lack of combat experience and fighter escort capability. Communist China has only 10 piston medium bombers (Bulls), and is expected to have no more than 60 by 1960. These could reach targets as far away as Guam and Singapore. It will probably not acquire its first jet medium bombers before 1960.

86. Communist China's air defense capability lies mainly in its estimated 1,175 jet fighters, and its core of combat veteran pilots. This force is considered combat-ready under visual operating conditions. Replacement of the few remaining piston fighters with Soviet jets should be completed by mid-1956, and the development of an all-weather force will probably begin shortly thereafter. Some 570 all-weather fighters may be added to the air force by mid-1960. Total fighter strength will probably reach a peak of about 1,600 jet fighters in mid-1958. Despite difficulties in construction and supply, Communist China has greatly improved its base structure in the coastal area opposite Taiwan.

87. *Navy.* With the aid and technical advice of the USSR, the Chinese Communist navy has reached a present modest strength of 4 destroyers, 13 submarines, 50 patrol escorts and gunboats, 118 motor torpedo boats, 13 mining vessels, and 56 amphibious craft. A number of small Soviet vessels may recently have been delivered to the Chinese Communists along with the transfer of Port Arthur.

88. Although there are indications that the USSR may have recently helped the Chinese Communists launch an accelerated program of naval construction, the development of the navy through 1960 will probably continue to depend primarily on material received from the USSR. The Chinese Communists will continue to possess sufficient air and naval strength to control the air and sea spaces necessary for amphibious operations in the Taiwan Straits and offshore island areas provided the US does not intervene. They will develop a capability for medium range submarine operations and will probably further develop their mine warfare and surface capabilities for conducting defensive operations in coastal waters. These factors, coupled with existing air power, will probably give them during the period of this estimate a significant capability to oppose hostile forces operating in coastal waters.

89. Naval air force strength (included in paragraph 85) is 185 planes and 4,700 personnel. The development of Chinese Communist

naval aviation has recently received considerable emphasis, probably reflecting a need to perform standard naval missions such as support of amphibious landings, antisubmarine patrol, convoy escort, search and rescue, reconnaissance, and mining. It is also possible that, following the Soviet pattern, the defense of certain coastal areas and bases is assigned to naval air. In any event, it is known that re-equipment of the naval air force with jet aircraft is being given high priority.

90. The Chinese Communists have sufficient conventional amphibious type ships to provide lift for 35,000 to 45,000 troops with some armor, supporting weapons, and limited transportation, or a maximum of 70,000 lightly armed infantry troops. As of mid-1955 the Chinese Communist merchant marine included 111 vessels (1,000 GRT upward) totalling 278,000 gross tons with an estimated cargo capacity of 417,000 long tons. Utilization of this shipping could provide additional lift for about 200,000 troops. However, considering the special problems of phasing, control, and protection of forces peculiar to an amphibious operation and the necessity for logistic resupply and reinforcement lift capacity, it is estimated that a Chinese Communist initial assault force would be limited to 75,000-100,000 troops.

91. *Nuclear capabilities.* We have no evidence that Communist China possesses any nuclear weapons, and it has only a primitive nuclear research capability. However, if the USSR were to provide the necessary equipment and technicians, the Chinese Communists could in a short time achieve the capability to use nuclear weapons. A recent Soviet pledge to supply a 6,500 kilowatt nuclear reactor, a laboratory for handling radioactive materials, and an unspecified number of 25 Mev cyclotrons to Communist China in the next few years and to train Chinese Communist atomic scientists could, if carried out, lead to a small Chinese Communist nuclear research program by 1960. This aid appears to be of most use in such fields as medicine and biology, and additional Soviet assistance of a different nature and on a scale much larger than announced would be required to initiate a nuclear weapons or power program.

Communist China in 1960

92. Through 1960, the Chinese Communist economy, barring such unforeseen contingencies as a major war or a series of natural disasters, will probably have continued to expand, although at a lower rate than during the first Five Year Plan. The bulk of modern industry will probably be state-owned and most peasants will be in some form of cooperative. From 1952-1960 Communist China will probably have about tripled its electric power output, more than doubled its coal production, and increased the value of its machine

industry some two and one-half times. However, even with these substantial increases, Communist China's industrial base will remain small. Crude steel production probably will not be more than 5 million tons, or some 2.8 million tons below Japan's 1954 level.⁶ Its estimated electric power output of about 21 billion KWH will be 39 billion KWH below the 1954 Japanese output. Moreover, at best the rate of increase of agricultural production will only approximate the growth of population. Under these circumstances, the regime will continue to have great difficulty in meeting its increasing investment and export requirements. Finally, continued dependence on the sources outside Communist China for a wide range of complex industrial items and a shortage of skilled technicians will complicate planned economic developments.

93. The Chinese Communists will have greatly increased their military capabilities. Against indigenous military forces, Peiping will remain capable of overrunning South Korea, Taiwan and the offshore islands, and mainland Southeast Asia. However, Communist China will still suffer from military weaknesses, particularly air defense deficiencies and lack of an adequate indigenous armaments base. Chinese Communist dependence on the USSR for vehicles, POL, and almost all complex military equipment will continue through 1960. Communist China will probably be self-sufficient only in light weapons and individual equipment.

94. The control system will be under increasing pressure. In particular, increased demands for food will conflict with the regime's program to develop large reserves and to increase exports of food-stuffs and the acreage devoted to industrial crops. Although the regime might make some modifications of its investment program in the event of a series of bad crop years to increase the availability of consumption goods, it probably would not make major concessions. Its control mechanism will probably be adequate to enforce progress toward its economic goals, but the regime will probably have to resort to purges and to terror, particularly against the peasants. Popular support for the regime is likely to decline further among peasants and intellectuals, and the party itself may lose much of the esprit that characterized the revolutionary period.

II. Sino-Soviet Relations

95. During the past five years the relationship between Communist China and the USSR has become a concert of interest and action in which a substantial degree of mutual dependence has developed. The two allies are linked not only by ideological bonds, but by common hostility to the US, by a military interdependence involving

⁶ See note to table on page 12. [Footnote in the source text.]

Communist China's manpower and strategic location and the USSR's industrial and technical capabilities, and by the mutual advantages of concerted diplomatic and "revolutionary" activities. While we believe that policies of mutual concern are mutually determined, Peiping's dependence on Moscow for arms, industrial resources, and technical assistance will cause it to continue to give Moscow's views great weight on major questions of global policy. But Peiping's tactical position in many areas probably gives it considerable potential for influencing Moscow.

96. From the beginning, the Chinese Communist regime escaped Satellite status both because of the size and remoteness of China and because the regime rose to power primarily through its own efforts. The Communist Chinese role in the Korean War gave Communist China additional bargaining strength in dealing with the USSR.

97. Since late 1950 Soviet writers have accorded Mao special honor for his contributions to the "treasury of Marxism-Leninism" in the field of strategy and tactics for revolutions in "colonial and semicolonial" countries. There were indications in the late summer of 1954 of unusual Soviet solicitousness towards the Chinese Communists in Malenkov's public reference to the "new situation in Asia" created by the emergence of Communist China, and in the unprecedented visit to Peiping of Khrushchev and Bulganin. Communist China's stature in the Bloc was further enhanced by Molotov's subsequent reference in February 1955 to the "world camp of socialism and democracy" as "headed by the USSR—or more correctly said—headed by the Soviet Union and the Chinese People's Republic."

98. Traditional Sino-Russian territorial rivalries along their 1,400-mile common border are a potential source of friction between the allies. Since the 18th century, China has regarded Tannu Tuva and Outer Mongolia as Chinese territory. Although the Chinese Communists now appear to have accepted Soviet control of these areas, they may still be apprehensive about Soviet influence in Sinkiang and possibly about the recent Soviet interest in developing previously neglected regions adjacent to Sinkiang and Manchuria. However, the well-publicized Soviet withdrawal from Dairen and Port Arthur indicates that the Soviet leadership has taken steps to reduce Chinese Communist sensitivity in the border areas.

99. Sino-Soviet economic relations are another area of potential friction. There have probably been disagreements over the level of Soviet aid to Communist China's industrialization, and the Chinese Communists have almost certainly pressed for much greater aid than the USSR is willing to grant.

100. Although there is no evidence of serious friction or lack of coordination in Chinese Communist and Soviet relations with other Communist parties in Asia, there is a latent possibility of strains de-

veloping in these relations. In North Korea the Chinese Communists increased their influence during the Korean War, but Soviet-trained figures still hold the most important positions. In North Vietnam, geographic proximity has fostered Chinese Communist influence, and the volume of Chinese Communist propaganda support and projected aid exceeds that of the USSR. Chinese Communist influence on Japanese Communism may also have increased with the recent return of some Japanese Communist leaders from Communist China. The Chinese Communists apparently control the Malayan Communist Party, but their influence on the Indonesian Communist Party may be offset by long established channels leading to Moscow.

101. The intensity of the "liberate Taiwan" movement in Communist China on a number of occasions may have created apprehensions among Soviet leaders. Chinese Communist willingness since the Bandung Conference to use diplomatic tactics to further their objectives in Taiwan probably indicates that this possible difference of emphasis is not now a serious source of Sino-Soviet friction.

102. During the period of this estimate, Communist China's power and its potential for pursuing courses of action which could conflict with Soviet interests or desires will probably increase. Communist China will probably exert an increasing influence on Asian opinion independent of that exercised by the USSR. The growth in Chinese Communist prestige might encourage some Chinese Communist leaders to attempt to extend Chinese influence over other Asian Communist parties beyond the point desired by the USSR. However, no major differences of interest in Asia seem likely to develop during the period of this estimate.

103. For a considerable time to come mutual advantage, the existence of common enemies, and a single ideology will almost certainly prevail over lesser considerations to preserve close Sino-Soviet ties which will probably continue to be relatively impervious to outside manipulation. Peiping probably believes that its alliance with the USSR prevented UN forces from broadening the Korean War and restrains the US from action against the mainland. The Chinese Communists will almost certainly feel the need for continued protection until their own power in the Far East is much further developed.

104. Therefore, at least through 1960, Peiping will almost certainly adhere to the alliance. A lessening of East-West tensions would probably not significantly affect Peiping's estimate of the continued need for the alliance, and might ease pressure in Sino-Soviet economic and military negotiations. A heightening of tensions could create new problems for the alliance, but would strengthen Peiping's desire for solidarity, unless the USSR proved unwilling to insure the security of the Peiping regime.

III. Probable Chinese Communist Courses of Action in Asia

105. In pursuit of its basic foreign policy aims, Peiping will, during the next five years, probably concentrate on eliminating the Nationalist government and gaining control of all Nationalist-held territory, eliminating Western (and especially US) influence and power in Asia, extending its own influence in the area, and achieving acceptance as the legitimate government of China. The Chinese Communists probably believe that time is on their side. This conviction is based on a belief both in the ultimate victory of the world Communist movement and in the power of China under strong central government. Leninist doctrine and their own interpretation of recent events have probably convinced them that flexibility and even tactical retreats will not seriously compromise their long term prospects.

The Chinese Communist Estimate of the Situation

106. The primary factor in determining the manner in which Peiping will pursue its foreign policy objectives is its estimate of probable US actions and reactions. It probably considers the ultimate US objective in Asia to be the elimination of the Chinese Communist regime, but probably estimates that the US does not intend, unprovoked, to attack Communist China within the next several years.

107. Peiping almost certainly estimates that open aggression on its part against either Taiwan or the ROK would lead to strong US counteraction, probably including action against mainland China and possibly including the use of nuclear weapons. It probably further estimates that an overt Chinese Communist attack on any other non-Communist Asian state would also entail risk of US military counteraction against the China mainland. It probably also estimates that an overt attack by the Viet Minh against any of the Indochinese states might result in at least local US military reaction, with such reaction particularly likely in the case of South Vietnam. The Chinese Communists probably also estimate that US military capabilities for the concentration and effective application of force in the areas of Korea, Taiwan, Indochina, and even the China mainland are still superior to their own. However, there almost certainly remain twilight areas in which they are uncertain as to the intention or the ability of the US to react, as in the event of attacks on the Nationalist offshore islands or intensified subversive efforts in non-Communist states.

108. Moreover, the Chinese Communists probably estimate that they have certain advantages over the US in any primarily political struggle in Asia. They almost certainly believe that the prestige of Communist China in Asia will increase along with the military and economic strength of their regime. They probably estimate that the

indigenous Communist parties and, to a lesser extent, the 12,000,000 overseas Chinese in Southeast Asia provide them with unique instruments for undermining non-Communist governments. In their view differences among the non-Communist powers on Asian policy will make it difficult for the US to take effective measures against Communist expansion conducted through measures short of overt aggression. Moreover, they probably estimate that anti-colonial, neutralist, and nationalist sentiment will continue to aid their efforts to discredit US motives in Asia. They probably also estimate that American diplomacy is complicated by commitments in other areas and by external and internal political pressures which make it less flexible than their own.

109. At the same time, the Chinese Communists may recognize that serious obstacles exist to the extension of their power: (a) in most non-Communist states in Asia, nationalism is the dominant force and most leaders of these states recognize the threat of a domestic Communist movement to their independence; (b) despite occasional well-publicized offers of technical and material aid, Chinese Communist capital resources are insufficient to help these countries gratify their desires for industrial development; and (c) less importantly, in several of these same countries, the influential local Chinese community is still regarded with envy and suspicion.

110. The Chinese Communists are probably not as concerned with the present strength of SEATO as with the future possibility of an expanded and strengthened anti-Communist bloc in Asia. Their apprehensions on this score probably center on Japan, in their view the only Asian power which might significantly augment anti-Communist power in Asia during the period of this estimate. The Chinese Communists probably also view India as a rival for Asian leadership. They probably also estimate that India would resent a substantial extension of Communist influence in South and Southeast Asia and be alienated by overt Chinese Communist aggression in these areas. Peiping apparently feels that an attitude of outward respect for the positions of Japan, India, and other Asian powers will encourage their passivity and a tendency to think in terms of Asian solidarity. It appears to believe that such ostentatious maneuvers as mutual declarations of fealty to "the five principles"⁷ are likely to help allay Asian distrust of Peiping's motives.

⁷ The "five principles," first subscribed to by Chou and Nehru in April 1954 as the general principles governing Sino-Indian relations, were defined as "mutual respect for each other's territorial integrity and sovereignty, nonaggression, noninterference in each other's internal affairs, equality and mutual benefit, and peaceful coexistence." Although reportedly inserted at Nehru's insistence, the principles are standard Communist clichés, closely resembling those used in Soviet treaties both with Nationalist China in 1945 and with Communist China in 1950. Since mid-1954, the principles

111. In Communist China's view the probable basic hostility of France, the Netherlands, Portugal, and probably even the UK is unlikely to be effectively manifested because of their political and military weaknesses and, to a lesser degree, because of their desire for trade with Communist China. Chinese Communist hostility to these countries has therefore been subordinated to hostility to the US. The Chinese Communist regime probably estimates that so long as it exercises restraint toward these countries, they can be of considerable value to it, both in trade and in inducing the US to modify its policies in the Far East.

Main Lines of Chinese Communist Foreign Policy

112. During the period of this estimate, Peiping will almost certainly wish to avoid serious military involvement with the US. For this reason, we believe that Peiping is unlikely to initiate open hostilities with its own forces, except perhaps against the offshore islands. Peiping probably would also be unlikely to encourage the North Koreans or the Viet Minh to undertake large-scale military action because it would probably estimate that such action could not be carried out without ultimate large-scale involvement of Communist China with the US. However, during the period Peiping will probably encourage expanded guerrilla activity in Indochina. Although Peiping will probably continue to sanction other guerrilla movements now in existence it is unlikely, at least in the early part of the period, to provide the support necessary for large-scale expansion of these activities.

113. Although the Communists may again resort to military action whenever they estimate that the benefits will outweigh the military disadvantages of such action, Peiping will continue to pursue policies emphasizing political rather than military action as long as its objectives are acceptably served by this means. The major factor in this consideration will be their estimate of the risk of US military counteraction; thus Communist China will probably emphasize political action over the next two or three years. In collaboration with the USSR, Communist China will pursue a policy of "competitive coexistence with the capitalist bloc." The Chinese Communists will endeavor to have their approach to international problems characterized as conciliatory and flexible, but joint Sino-Soviet policy will in fact permit no major concessions to the West. Moreover, both parties may feel that the development of occasional crisis situations would weaken the diplomatic position of the US and strengthen neutralism, without seriously prejudicing their own "coexistence" posture. Com-

have been major slogans of Peking diplomacy and have been subscribed to by U Nu of Burma and Ali Sastroamidjojo of Indonesia in joint communiqués with Chou as well as by Ho Chi Minh and the USSR. [Footnote in the source text.]

munist China will also be under some pressure, more so than the USSR, to manufacture crises in its external affairs to provide a pretext for imposing new production and austerity drives at home. For these reasons, we believe that although Peiping will continue to profess support for the "five principles" there will be times when it will assert its power ostentatiously, but within the general limits of Bloc strategy, in order to reaffirm its particular claims and pretensions.

114. By 1960, if Communist China follows a course of political rather than military action, most non-Communist countries will probably have recognized Peiping and established normal economic relations with Communist China, and it will probably have been accepted into the community of nations as the major Asian power. In this situation, its position in the Sino-Soviet Bloc will have been enhanced and the Chinese Communists will probably have a greater degree of flexibility in their relationship with the Soviet Union.

115. Peiping's diplomatic activities on behalf of the Bloc policy of "competitive coexistence" will be concentrated in Asia and the Middle East, where there is a disposition to accept Communist China as a "former victim of imperialist and capitalist oppression." Communist China's role in this effort will be to play up to neutralist and nationalist sentiment in Asia; to manipulate the Indochina and Taiwan issues to divide the West; and to exploit vulnerable aspects of intra-Asian relations such as ROK-Japanese and Indian-Pakistani tensions. The Chinese Communists will almost certainly continue their efforts to discredit US actions and motives throughout Asia, insisting that US policy is disguised colonialism and is directed toward a war in which "Asians will be used to fight Asians." In particular, they will attempt to frustrate US efforts to develop a basis for military cooperation among free Asian states. Peiping will emphasize the advantages of technical and economic assistance from Communist countries as well as "mutual self-help" among underdeveloped countries. They will also seek a reduction in Western military, commercial, and other privileges in the area. Chinese Communist propaganda on these themes will seek primarily to keep anti-Communist Asians on the defensive over the issues of "colonialism" while the base for future Communist advances is strengthened. Communist China will encourage wherever possible the formation of popular-front type governments in which the Communist influence would be significant and the Chinese Communist pattern of anticolonial "people's democracy" studied and admired. While to the US Peiping policy may appear uncompromising, to many Asian states it may appear conciliatory and flexible.

116. The possibility of a Communist-initiated war in the Taiwan Straits, Vietnam, Laos, and even Korea will continue to exist. Moreover, Peiping would almost certainly react with force if Communist

control of North Korea or North Vietnam were seriously threatened. They would almost certainly retaliate to any sharp increase in the level of Nationalist attacks against the mainland.

Specific Courses of Action

117. *Taiwan.* Peiping is committed to the "liberation" of all Nationalist-held territory, and defines the Taiwan issue as an internal one in which foreign interference will not be tolerated. For the period of this estimate, however, Chinese Communist courses of action toward the offshore islands and Taiwan will be determined largely by their estimate of US reactions.

118. Since the Bandung Conference in April 1955, the Chinese Communists have attempted to advance their claims to Nationalist-held territories more by diplomacy than by military action. However, Peiping has emphasized that its current willingness to take over Taiwan "peacefully, if possible," should not be interpreted as an abandonment of its basic objective. Chinese Communist efforts will be concentrated on reducing morale within the Chinese National government and within the mainland Chinese community on Taiwan, in the expectation that Nationalist leaders may ultimately be induced to negotiate with Peiping over Taiwan's assimilation into Communist China. The Chinese Communists will also continue trying to force US agreement to a bilateral or multilateral conference, at which their object would be to induce the removal of US military protection from Taiwan.

119. The Chinese Communists will probably continue their buildup in the area opposite Taiwan and the offshore islands in order to increase pressure on the US and to weaken morale on Taiwan. While the Chinese Communists probably do not intend to attack Taiwan so long as the US maintains its commitments to the Nationalists, they will almost certainly conduct probing operations against the offshore islands. If the Chinese became convinced that the US would not assist in the defense of these islands with its own forces, they probably would attempt to seize them. Should Peiping's forces successfully occupy the Nationalist-held offshore islands without incurring US military retaliation, there would be an intensification of the campaign to obtain Taiwan.

120. *Indochina.* We believe that the immediate Chinese Communist objective in Indochina was secured at Geneva when the Viet Minh were granted full control of North Vietnam. Peiping may have believed that it also received an implied commitment for the delivery of South Vietnam in July 1956, and that in any event conditions had been created which would make it difficult for the US to intervene. However, we believe that the Chinese Communists now estimate

that the US would make a strong effort to frustrate an extension of Communist control to the south.

121. In conjunction with the Hanoi regime, Peiping will continue its efforts to expand Communist influence and control in South Vietnam. Through coercion, subversion, and propaganda the two Communist regimes will attempt to discredit and undermine the authority of the Diem government, and to embarrass that government and the US on the question of nationwide elections. In addition, the Chinese Communists will continue diplomatic efforts to isolate the Diem government from the Western nations and the Asian neutrals. Even if the Viet Minh are delayed in achieving a settlement, by elections or otherwise, favorable to the extension of their control over all of Vietnam, the Chinese Communists probably will not encourage the Viet Minh to renew open hostilities. However, at some point they probably will encourage increased Viet Minh guerrilla activity in South Vietnam. Their actions beyond that phase would probably depend on the effectiveness of Diem's counteraction and the response of the US and the SEATO powers.

122. In Cambodia and Laos, the Chinese Communists will combine pressure and inducements to encourage neutralist sentiment, to weaken ties with the West, and to stimulate subversion of the free governments. We believe that if the Pathet Lao position were threatened by Royal Government action, Peiping would encourage the Viet Minh to assist the Pathet Lao to the extent necessary to preserve the Pathet position. It is less likely that the Chinese Communists will encourage the Pathet Lao to undertake aggressive military action outside of their present groupment area, at least while the International Control Commission remains in being and in the absence of greater evidence of popular support for the Pathet Lao within Laos. Should South Vietnam fall to the Viet Minh, Communist support for subversion and paramilitary operations in Laos and Cambodia would almost certainly be increased.

123. *Korea.* The Chinese Communists, in common with the USSR, hope to secure a withdrawal of UN forces from Korea and a reduction of US influence there and eventually to subvert the ROK. As a means of putting pressure on the US to withdraw its troops, the Bloc will probably urge new negotiations on unification and "relaxation of tensions." To further this end, there may be additional withdrawals of Chinese Communist forces. The Communists will almost certainly refuse any settlement in Korea which endangers Communist control of North Korea or fails to offer better prospects than at present for eventual Communist control of all Korea.

124. *Japan.* Communist China seeks to forestall the re-emergence of Japan as a major military and political power in Asia and, in the short run, to weaken Japan's links with the US by exploiting US-Jap-

anese policy difference. Peiping's tactics will probably continue to rely upon the manipulation of domestic opposition to the policies of the Japanese conservatives, the inducements of Sino-Japanese trade, and the application of direct pressures upon the Japanese government. Communist China will probably be able to increase semiofficial contact with Japan through trade and cultural missions and will probably step up its campaign to normalize relations.

125. Communist China will probably continue to support the current line of the Japanese Communist Party in avoiding acts of violence and working for a popular front. However, should any Japanese government undertake an extensive rearmament program or reverse the present policy of permitting the expansion of unofficial relations with Peiping, Communist China might publicly revert to the position that Japan is a major threat to peace and launch a campaign of threats and intimidation designed to reinforce leftist opposition within Japan.

126. *India.* Although Communist China almost certainly regards India as a rival, it will, at least during the next two or three years, probably seek to encourage India's present neutralist stand, which has furthered the aims of Sino-Soviet diplomacy by bolstering neutralist sentiment generally throughout Asia and the Middle East. Thus, Communist China will stress those interests it shares with India, and will probably keep its attempts to expand its influence in the Indo-Tibetan border area just short of the point where the Indian government's antagonism could no longer be concealed.

127. *Burma.* In the next two or three years it will probably be Peiping's minimum objective to prevent Burma from abandoning its present neutral position. Beyond that, Communist China will be working to distort Burma's neutrality, by encouraging tighter Burmese bonds with Communist nations. The threat of its military power will continue to reinforce Communist China's diplomatic campaign emphasizing offers of friendship and peaceful cooperation. Peiping will almost certainly attempt to exploit Burma's financial and economic problems to bring about closer Burmese-Chinese Communist ties. Moreover, the Chinese Communists will retain their capabilities for subverting the minority peoples along Burma's eastern frontier.

128. *Indonesia.* The Indonesian Communist Party (PKI) is the strongest indigenous Communist party in non-Communist Asia and the Chinese Communists probably estimate that its capabilities will continue to be maximized by emphasizing a "peaceful" attitude toward the Indonesian government. Communist China will probably continue its efforts to enhance the chances of PKI participation in a national front government by itself appearing to support Indonesian nationalist objectives. Even if the PKI were excluded from the new

government which will come into office in the spring of 1956, the Indonesian Communists would probably be encouraged by the Chinese Communists to continue working for a popular front primarily by penetration, propaganda, and organizational work.

129. *Malaya*. Communist China probably hopes, by encouraging Malayan nationalism, to force a British withdrawal from Malaya under conditions that would increase local Communist prestige. Peiping probably estimates that its capability to achieve this end is enhanced by the continued colonial status of the area, and in Singapore by the predominant overseas Chinese population. Peiping will almost certainly continue to encourage Malayan Communists to work for popular front governments, to extend control over Chinese youth and the labor movement, and to maintain their guerrilla organization.

127. Telegram From the Ambassador in the Republic of China (Rankin) to the Department of State ¹

Taipei, January 9, 1956—5 p.m.

614. Department's Circular 435 and Taipei's 604. ² During January 4-7 visits of Air Force Secretary Quarles ³ and Admiral Radford remarks by President Chiang and Foreign Minister Yeh reflected concern over approaching Eden visit to Washington.

In final talk with Quarles January 7 President turned to me and asked his views be transmitted to Department. He regarded US as loyal friend and supporter of free nations of Asia adding that US policy should be their policy. Then without mentioning UK or Eden we warned that "certain allies" of US favored abandoning free China and others in interest of appeasement. He hoped and believed US would stand fast; otherwise Asian countries would be forced to follow independent policies of their own.

On another occasion Foreign Minister repeated to Quarles opinion he had expressed in Washington last fall that Chinese Reds were

¹ Source: Department of State, Central Files, 611.93/1-956. Secret. Also sent to Hong Kong and to Geneva for Johnson.

² Circular telegram 435, December 30, 1955, invited the views of the recipient missions concerning various topics which might be discussed during Prime Minister Eden's visit to Washington. Telegram 604 from Taipei, January 5, replied, *inter alia*, that during Eden's visit the ROC Government should be kept informed of all discussions touching on its interests in order to prevent renewed suspicion of a "deal". (*Ibid.*, 033.4111/12-3055 and 033.4111/1-555, respectively)

³ Secretary of the Air Force Donald A. Quarles visited Taiwan as part of a tour of Air Force activities in the Pacific area; he commented on the trip in a memorandum of January 19, to Secretary Wilson. (*Ibid.*, 033.1100-QU/1-1956)

quite likely to put forward some kind of "no force" formula. He seemed to have in mind possibility Eden might bring such proposal with him, perhaps including high level US-Red China meeting to arrange details.

Comment: Department of course is fully aware of danger in presenting GRC with cooked dish which US would find difficult to repudiate in likely event GRC considered it indigestible. No reason believe GRC position has softened since my telegrams 799 and 800 of May 9;⁴ if anything contrary is true. Moreover I doubt wisdom of further meetings between US and Red China unless and until we believe net accomplishments both desirable and substantial are in prospect.

Rankin

⁴ See vol. II, Document 245 and footnote 2 thereto.

128. Telegram From the Secretary of State to Ambassador U. Alexis Johnson, at Geneva¹

Washington, January 9, 1956—7:04 p.m.

1465. Guidance for January 12 meeting.

1. We believe at next meeting you should review at length course of discussions on renunciation of force issue. Such review will serve to summarize our position for record and refute Wang's accusations past several meetings that US has been stalling.

2. In opening, you should state that you are dealing with this subject now, only because at last meeting you agreed to comment on Communist counterproposal. Otherwise because of Communist

¹ Source: Department of State, Central Files, 611.93/1-956. Secret; Priority; Limit Distribution. Drafted by Clough and Phleger (the latter did not initial), cleared in draft by Secretary Dulles and Sebald, and approved by McConaughy. McConaughy's letter No. 29 to Johnson, January 16, states:

"We met with the Secretary last Monday, the 9th for about 45 minutes. He personally approved your instructions after making slight changes. I believe you will be interested in knowing that he continues to follow the talks closely notwithstanding the ever-mounting pressures on him. He gave no indication at the last meeting that he felt any change of tack on our part was needed. So there is no reason to expect any new departure in your guidance in the absence of agreement on the renunciation of force item and satisfactory implementation of the agreed announcement, or some other major move by the Chinese Communists." (*Ibid.*, Geneva Talks Files: Lot 72 D 415, Geneva—Correspondence Re US-PRC, 1955-1956)

public statements since last meeting,² you would have devoted this meeting solely to presenting protest to Communist misrepresentation of Agreed Announcement and its failure to implement it. This you will deal with later.

3. You should emphasize that US first introduced subject of renunciation of force, and repeat your introductory statement October 8.³ Point out that Communists waited three weeks, then on October 27 introduced draft⁴ which not only fell far short of meeting US proposal, but introduced extraneous elements. Point out that on November 10, two weeks later, US presented draft⁵ which incorporated all points made when you introduced subject and also legitimate portions of Communist draft and should have been acceptable. Read draft. However, this not accepted by Communists, who after another three-week interval, on December 1 presented counterdraft⁶ which represented some improvement over their first proposal, but failed to meet essential requirements including that announcement apply to Taiwan area and provide for legitimate self-defense.

4. You should avoid linking your presentation directly to Wang's accusations that US stalling. You should not be on the defensive, but rather take the offensive, taxing Communists with undeniable fact that for three months they have refused to agree to reasonable proposal made by US and intended to prevent hostilities in Taiwan area.

5. Conclude your presentation with statement that US willing to make further effort to reach agreement on this issue and to this end introduces revision of Communist counterproposal repeat counterproposal of December 1. Then present draft Deptel 1466.⁷ This

² On January 6 the New China News Agency released a series of answers by a Foreign Ministry spokesman to questions by a correspondent, declaring that there was a fundamental difference between those Americans in China who had committed offenses against the law and those who had not, that the agreed announcement stipulated that Americans who had offended against the law could expeditiously exercise their right to return only after measures had been adopted by the Chinese Government, and that the nature and timing of those measures was a matter of Chinese sovereignty. It declared that the Chinese would continue to work for an agreement on the second agenda item but would not consent to the "endless dragging out" of the talks. The text is printed in *Survey of the China Mainland Press*, No. 1205, January 11, 1956.

³ See Document 65 and footnote 3 thereto. Regarding the meeting of October 8, see Document 71.

⁴ See footnote 2, Document 85.

⁵ See Document 94.

⁶ See footnote 4, Document 110.

⁷ Telegram 1466, January 9, transmitted to Johnson a U.S. revision of the Chinese counterproposal of December 1; it reads as follows:

"Ambassador U. Alexis Johnson on behalf of the Government of the United States of America, and Ambassador Wang Ping-nan, on behalf of the Government of the People's Republic of China, agree to announce:

"The United States of America and the People's Republic of China are determined that they will settle disputes between them through peaceful means and that, without

identical with that previously approved for your use,⁸ except word "means" substituted for word "negotiations" in paragraph D [B] in order to broaden meaning and give more flexibility. This phrasing in line with language in Communist December 1 draft paragraph C.

6. You should then proceed to statement on implementation, stressing that you protest in strongest terms Communists attempt to claim that Agreed Announcement does not apply to imprisoned Americans, pointing out that their names were actually before parties and were being discussed when unequivocal statement regarding their expeditious repatriation was drafted and made public. These imprisoned Americans were ones about whom we had for previous weeks been actually making representations. Also protest failure of Communists to live up to their announcement and point out that this cannot but have serious effect on success of discussions. Obvious that progress depends upon good faith performance of agreements already reached.

7. FYI Deptel 1455⁹ contains substance O'Neill's report on receipt of communications from five imprisoned Americans since last meeting.

8. Material for use in replying Communist charges Liu Yung-ming case and others telegraphed separately.¹⁰

9. Do not agree on earlier date for next meeting than January 19.

Dulles

prejudice to the inherent right of individual and collective self-defense, they will not resort to the threat or use of force in the Taiwan area or elsewhere.

"The two Ambassadors should continue their talks to seek practical and feasible means for the realization of this common desire." (Department of State, Central Files, 611.93/1-956)

⁸ Reference is to the draft sent to Johnson in telegram 1354 (see footnote 3, Document 114), and revised as proposed by Johnson in telegram 1271 (see footnote 2, Document 119), and approved by the Department in telegram 1377 (Document 121).

⁹ Dated January 6. (Department of State, Central Files, 611.93/1-656)

¹⁰ Letters of December 28 and January 5 from Wang to Johnson charged that Liu Yung-ming and seven other Chinese students were being prevented from returning to China. (Telegrams 1320 and 1338 from Geneva, December 28, 1955, and January 5, 1956; *ibid.*, 611.93/12-2855 and 611.93/1-556, respectively) Liu Yung-ming came to the United States as a student in 1947 and had been in a mental institution since May 1949; see the press release of December 30 in Department of State *Bulletin*, January 9, 1956, p. 52. Telegrams 1467 and 1476 to Geneva, January 9 and 11, informed Johnson that Liu's case had been investigated, his return to China had been arranged, and he had sailed for Hong Kong on January 8. (Department of State, Central Files, 611.93/12-2855 and 611.93/1-1156, respectively) Telegram 1468 to Geneva, January 9, instructed Johnson to tell Wang that none of the seven persons mentioned in his January 5 letter was being prevented from leaving the United States. (*Ibid.*, 611.93/1-556)

129. Telegram From Ambassador U. Alexis Johnson to the Department of State ¹

Geneva, January 12, 1956—8 p.m.

1364. 1. Wang responded my prepared statement (mytel 1362) ² at opening 32d meeting January 12 by saying he had listened my statement this morning in which I had reviewed course discussion on Item Two. He had listened very carefully but could not hear anything new or constructive in statement.

2. Wang said this applies in particular to my remarks which discussed his draft of December 1. He recalled that when he introduced December 1 draft, I had expressed welcome and had said it represented considerable advance in discussions. We have had prolonged discussion this matter of issuing announcement on this question.

3. Wang said he had glanced over amended draft I had presented this morning ³ and while leaving aside details of wording and language, he noted that question of principle still remains. He noted I was again claiming alleged right of so-called individual and collective self-defense in Taiwan area.

4. Wang said US is today occupying island of Taiwan which Chinese territory. Under these circumstances US has absolutely no right speak of any self-defense in Taiwan area.

5. Wang said in my statement this morning I had made reference to fact US is member of UN and also made reference to number international treaties and pacts, but all this could not defend position of US in occupying territory of other countries. If US could claim right to self-defense in Taiwan area, Wang could say there is no more justice in world.

6. Wang said his side has long expressed itself unmistakably on this matter, that it would never accept this position. Therefore he said that amendments presented by me at today's meeting unreasonable and unacceptable to his side. Such amendments as had been put forward this morning would not help in any way in settlement of matter before us. Nor would they help bring closer views of two sides.

7. Wang said I might recall that during discussion of second item it was US which initiated proposal of making announcement on renunciation source. PRC side has repeatedly met views of US side and

¹ Source: Department of State, Central Files, 611.93/1-1256. Confidential; Priority; Limited Distribution. Transmitted in five sections.

² In telegram 1362 Johnson transmitted the text of his prepared statement, which followed the outline sent to him in telegram 1465, *supra*.

³ See footnote 7, *supra*.

put forward new draft of December 1. Thus it could be said PRC side has moved several steps forward on this matter.

8. Wang said in this draft of PRC side it clearly stated that on basis of UN Charter, both sides should settle disputes between them by peaceful means without resorting to threat or use force. This not only conforms with desire of people of our two countries but also conforms with the desires of peaceloving peoples of world.

9. Wang said however for three meetings in succession US side has failed make any comments on his draft and fact that after long recess US side should suggest such terms and wording as had long been categorically rejected by PRC side could not but cause doubt as to whether US side has sincere desire arrive at agreement.

10. Wang said at same time he wanted point out that recently American military aircraft have been making encroachment on their territorial air and American "top brass" have gone to Taiwan to step up military preparations. All this conclusively proves that US bent on increasing tension in Taiwan area.

11. Wang said further, according press reports, US Air Force Secretary Quarles has gone so far as to indicate that outlying islands around Taiwan are American bases in Far East.⁴ Thus it apparent that it intention of US side to require PRC side to recognize status quo of American occupation Taiwan as well as coastal islands controlled by Chiang Kai-shek clique. This position of US side can never be tolerated by PRC side.

12. Wang said all these events cannot but alarm PRC side and create doubts among Chinese as to whether US side is genuinely sincere in stated desire settle disputes between two countries.

13. Wang said, in view of fact that US is creating tension and in view of attitude of US side in deliberately stalling talks, all of which not in conformity with purpose and aims these talks, therefore PRC side demands that these meetings be public so that issues may be judged by world opinion. Also PRC side is obliged give account to Chinese people of proceedings these talks. That was PRC side's opinion on question we had just discussed.

14. I said in reply that first I didn't believe they'd had sufficient time fully consider my suggested changes and that I hoped they would do so. I thought probably first question between US, often discussed here, is question of whether we considered statement applied to Taiwan area. My suggestion from beginning on October 8 was that we make this specifically clear.

⁴ The *New York Times* of January 8, 1956, quoted Quarles as saying, in response to a question whether he thought the Communists would attack the Nationalist-held offshore islands, that they must recognize that the islands were "part of a global position" and that it would be "most unwise" of them to risk an attack.

15. I said my understanding of their position had always been that they would consider such statement as applicable to Taiwan area. However, they had objected to form in which it was previously made on grounds this would prejudice their position on Taiwan area.

16. I said that I had stated in as many ways as I possibly could that our intention was not to get them to say anything that would prejudice pursuit of their policies by peaceful means, that this was made clear in our October 8 statement and our November 10 draft, but that they had objected to form in which it was set forth in that draft.

17. I said we were both agreed that most serious problem facing our two sides was precisely in Taiwan area, and that question therefore appeared to me to be not whether any agreement applied to Taiwan area but whether it clearly stated this.

18. I said that they had talked previously, and at great length this morning, of sincerity, I said my government had over and over proposed and I again proposed this morning that both sides sincerity be demonstrated by specifically relating our agreement to Taiwan area. This would assure world which as he had rightly said had longed for peace, that neither side had any concealed reservations in this regard.

19. I said I had over and over pointed out problem wasn't one of form of words which either side variously interprets, but lay in reaching genuine agreement which could be put into words. To do otherwise certainly could not contribute to peace. I was reluctant to place interpretation that might well be placed on their adamant refusal to permit any mention of Taiwan area.

20. I then said in regard to second point—mention of individual and collective self-defense—I would have considered they would have regarded it as important as we did. It was my understanding their government did not deny right of individual and collective self-defense to itself or to any other country. My understanding had been that their side objected to form of our November 10 draft because they felt it prejudiced their position on Taiwan area. Again, in honest effort to meet their point on this, in this draft we had tried to introduce this idea in form that would not do so.

21. I suggested that we go over exactly what that second para said. What it said was we were determined to settle our disputes by peaceful means and that certainly neither of us objected to that. Then it said we would not resort to force in Taiwan area nor elsewhere. This was certainly clear and specific and I could not see why there could be any objection to that language. It then said that in stating this principle both sides wished to make it clear it was without prejudice to right of individual and collective self-defense. This

was stated as general principle and I could not see what possible objection there could be to its inclusion in draft.

22. I said this second para as presently drafted would go as far as words could to show there was understanding between us. That if there was objection as to wording that revealed understanding between us was not as clear as I had thought.

23. I said they [*we?*] again this morning had discussed our dispute in Taiwan area and certainly our first task was to make certain this dispute did not lead to hostilities. If threat of force was clearly removed from that dispute, there was hope questions between us could, in that atmosphere, be discussed and resolved. I said draft I had proposed this morning should accomplish this purpose and I had hoped they would give it further study in light of my remarks.

24. I said I was not exactly clear about what they meant by their proposal to make our meetings open. I understood that in normal international usage, "open" meant public would attend our meetings. Or was their proposal that at close of each meeting press would be given full account of meeting by each of us.

25. I said in either event it was difficult for me to see how this could contribute to progress of our discussions. It seemed to me in either of these events, it would tend to make our meetings platforms from which each would speak to his public, rather than place for our negotiating and reaching understanding.

26. I said I was certainly willing that our respective positions be laid before public. I was certainly willing that public be informed of their categorical and sweeping rejection of any mention of Taiwan area in any statement of agreement growing out of our discussions. I was sure public would have difficulty in understanding that in three months which had passed since we had made our proposal, their government was still unwilling to make it clear it did not have concealed reservations on Taiwan area in any statement on renunciation of force.

27. I said that however, I didn't see how all of this would contribute to our making further progress in our discussion and if this was attitude of their government, I wondered whether it really desired that we make progress. As I as well as my government was interested in making progress, I was unable to agree that we abrogate our agreement that nature of these meetings be private, and I was unable to agree either that meetings be open to public or press be informed substance each meeting.

28. I said I still felt interests and relations between two of us and cause of peace could best be served by keeping our discussions on frank open level that was possible under present arrangement and by informing general public of our agreements when we had reached

them, rather than by informing the world of our disagreements as they came up here.

29. Wang said that other side had just asserted that Chinese side had not had sufficient time to study draft presented by US side. As to ideas US side has brought up, Chinese side had always been willing to give full consideration to those which were constructive, but he had to say that draft presented today did not contain anything new or constructive. All those amendments AS [US] side had presented that morning had been subject to long and tedious discussions, and during course of these Chinese side had on many occasions expressed its firm opposition.

30. Wang said he was sure US Ambassador was fully acquainted with course of discussions, in which it could be seen clearly how far Chinese side had moved and how the US side still stuck to its original position without making any progress. Views presented by US side had repeatedly been rejected by Chinese side, yet they have again been advanced, and Chinese side could not give consideration to them.

31. Wang said that in particular, he noted that US side had again advanced point concerning individual and collective self-defense. Naturally, it was a matter of principle that every state was entitled to right of self-defense and Chinese were prepared to recognize this. However, question was as to where it was to be applied, because there can be no objection if US exercises this right on its own territory.

32. Wang said that if, on other hand, it were on territory of another country, then certainly it could lay no claims to self-defense. When Japan in 1937 began its aggression against China, she also claimed this action was in self-defense. However, no people in world then recognized that as such and none could be persuaded that Japan's action was taken in self-defense. Therefore, there should be a clear definition and understanding as to this word self-defense and this word must not be arbitrarily abused.

33. Wang said that as to question US side had raised regarding whether peaceful solution of disputes between our two countries applied to Taiwan area, as he had repeatedly declared this did concern Taiwan area. The peaceful solution of disputes between two countries also applied to Taiwan area.

34. Wang said as to openness of meetings: it was not meant that public would be admitted to this conference room. But he meant the content of our discussion be released to press. Hence, as US side clearly recalled, at outset of talks he had followed US suggestion that these talks should be held private and this arrangement have no set time limit. The Chinese side throughout has observed these two rules

in hope that it would permit full exchange of views, frankly, and would settle issues between us, and finally reach agreements.

35. Wang said Chinese side felt these rules had been useful to our discussion in initial stages, and facts showed that after forty days discussion we did reach our first agreement on the return of civilians. That also showed there was common desire between two sides to arrive at agreement and Chinese had expressed their welcome to such a spirit. Thus it showed that provided both sides shared a common desire to solve their common issues, these issues would be capable of resolution. For example, last September between Soviet Union and German Federal Republic. As we knew, relations were rather tense; however, after one week's discussion they did arrive at an agreement ⁵ simply because of their common desire to reach an agreement, and hence there were favorable results.

36. Wang said that since last September 14 we had begun to discuss Item Two. It was now four months. This was not a short time. If there did exist common desire between two sides to settle issues between them, he should say that the two would have been able to reach many agreements instead of only one agreement. However, after four months both still found themselves deadlocked in the same place, and found themselves incapable of agreeing on simple announcement after all this time.

37. Wang said questions between us not only concern peoples of our two countries but also concern people of whole world. They, however, are not informed about our talks and of what has taken place. Now people ask why after such long time discussion, you people have obtained no result. As to Chinese side, they have always wanted an agreement to be reached between two so that Chinese government could make account to its people as to what had happened. We have wasted lots of time. Chinese side considers there has been deliberate stalling in talks. This is why Chinese side suggested we make meetings open: so that people will realize what issues between us are. That is what Chinese side considers responsible attitude toward people.

38. I said he had said that if we shared common desire to reach agreement we should be able to do so. I most thoroughly agreed. That is what I had been trying to find out.

39. I said clear back on October 8 I had said that US was willing to make declaration that we were determined our differences should not lead to war. I made it clear that US was desirous and willing, in

⁵ Reference is to an agreement to establish diplomatic relations between the Soviet Union and the German Federal Republic which the two countries reached during talks held in Moscow September 9-13 between delegations headed by Premier Bulganin and Chancellor Adenauer. The text of the communiqué issued in Moscow on September 13 is in *Documents on International Affairs, 1955*, pp. 251-253.

order that there be no misunderstanding between us or in world, that this would specifically apply to area in which our most serious dispute existed, that is area of Taiwan. I made it clear this did not involve in any way and it was not intention US in these talks involve rights and interests third parties. Nor was there any intention to prejudice peaceful pursuit of our several national policies. Yet after three months their government still unwilling publicly to make such statement. It was difficult to understand why, if Chinese considered that such statement applied to Taiwan area, as he had stated, why he would be unwilling to do so.

40. I said I did not agree that we had not made progress—I believed we had made some. I believed discussions had been useful. Insofar as responsibility for failure thus far to agree on text of announcement on renunciation of force—it is very clear.

41. Wang said US side had remarked that our exchange views had been useful, but he did not see how it had been useful. If it were really useful, it should have been demonstrated in progress toward solution of issues between us.

42. Wang said as to wording of text, if phrase concerning right to individual and collective self-defense could be removed, then Chinese side could give consideration to mention of Taiwan area. However, if we fail reach agreement on text of declaration, responsibility squarely on US side.

43. I asked if he objected to principle of individual and collective self-defense.

44. Wang said that principle was all right but could not apply to Taiwan area. US attempting to exercise this right in Taiwan area would be abuse.

45. I asked if he intended to tell United States in what countries it could have arrangements for individual and collective self-defense. As I understood it, their country had individual and collective self-defense arrangements with other countries but I had never raised question here.

46. Wang said they had such arrangements but they had them on their own territory and they had never gone thousands of miles across sea to US. Suppose Chinese had military strength to occupy San Francisco and then clamored about self-defense. Could US consent to this?

47. I asked whether I could understand that they had no objection to principle but felt its mention in this context prejudiced their position in dispute between us in Taiwan area.

48. Wang said it was not thus. Chinese agree that every country has this right of self-defense, but question is not that this prejudices their position but that US has no right to claim self-defense in

Taiwan area. And in exactly same manner China has no right to set foot on San Francisco and claim self-defense.

49. I said that I did not believe he had gotten point of my question. Question of validity of our defense arrangements in Taiwan area was matter of dispute between us. Chinese govt had one view, my government had another. I did not purpose [*propose?*] to discuss or try to resolve this problem with him. That was element in differences of views we had respecting Taiwan area. As I had told him, I had no intention demanding any statement from them that would prejudice their view in that regard. What I was saying was it was desirable we both make it clear we weren't thereby renouncing our respective rights of self-defense. I had tried to accomplish both purposes in this draft. If Chinese have suggestions as to another method of reaching this, I was willing listen.

50. Wang said in whatever way I might put this matter, present US occupation Taiwan was flagrant violation of international law. No matter how US was trying to defend itself, history would pass final judgement. US had asked whether Chinese side had any other views on draft announcement. He said his side had made its greatest effort and could not go further. As Wang had said, if US would accept their proposal to remove individual and collective self-defense from text, then Chinese would give consideration to draft. Otherwise, they could only consider that US was deliberately obstructing issuance of such announcement.

51. I said how he could call inclusion of statement of what I thought was universally recognized principle of individual and collective self-defense obstruction, I could not understand. I had thought they would have considered it of equal importance. As I had made clear, I would be glad to consider any other formula they would like to propose. I wanted to be clear: was it that under no circumstances whatever and under no conditions that they would consider inclusion of any such phrases in any statement we might make?

52. Wang said that dispute between us in Taiwan area was what was under discussion and in this respect they could not acknowledge US right to individual and collective self-defense. It was matter of principle. This was not acceptable. Question was not that there should be any further suggestions from Chinese side but from the US side. And new suggestions should come from US side.

53. I said that I entirely disagreed and that unless we both here were willing together to work things out, I did not see how it was possible to reach agreement. Negotiation was not a matter of unilateral concessions, it was a matter of attempts to reach common agreements. I had, with these few minor changes, accepted form and words of their draft. This contrasted strongly with their refusal to accept my November 10 draft even as basis of discussion. As I saw

it, principal question between us was whether there should be any mention of individual and collective self-defense in any agreement. I had tried to do so in manner agreeable to them. I had expressed willingness to consider any other formula that they considered would better fit their position. It was hard for me to see how I could go further.

54. Wang said his points had also been made clear. He could go no further than that.

55. I said that it did not seem that any further discussion today was useful. I had nothing further on this if he had not.

56. Wang said he had made his position very clear on this matter.

[Here follow paragraphs 57–88, which set forth Ambassador Johnson's prepared statement on implementation, the two Ambassadors' discussion of that subject, and a concluding exchange in which Ambassador Wang stated that his government intended to make a public statement on their discussions of agenda item 2 and Ambassador Johnson stated that the United States would have to consider making a reply. The next meeting was set for January 19.]

[Johnson]

130. Telegram From Ambassador U. Alexis Johnson to the Department of State ¹

Geneva, January 13, 1955—noon.

1366. Comments on yesterday's meeting:

Believe Wang was under firm instructions make proposal on open meetings as well as, in event we did not substantially accept their December 1 draft, to implement December 22 threat on unilateral statement.

Believe our strong review history negotiations on reunification [renunciation] force, and form in which we introduced our amendments their draft, well anticipated their tactic and created some confusion and doubt as to strength their public position even on Agenda Item Two. Until very close of meeting was hopeful I had succeeded in dissuading them from persisting in threat to open meetings or going to public.

¹ Source: Department of State, Central Files, 611.93/1-1356. Confidential; Priority; Limited Distribution.

However, believe substantial gain accomplished in their tentative acceptance inclusion specific mention Taiwan ² in a statement which regardless of its exact wording would as political document commit ChiComs in public mind to renunciation of use force in attempting upset status quo.

Negotiating position with respect next meeting was left somewhat confused, this portion January 12 meeting closing on note Wang's adamant refusal consider any mention individual and collective self-defense and I not giving any indication willingness consider any formula which did not include this principle.

Possible implication Wang's position could be willingness carry his position at close Jan 12 meeting to point of threatening actual or virtual break at next meeting unless we yield on self-defense clause. It possible this could be done as negotiating tactic, with intention yielding at meeting after next, or that by next meeting ChiComs will perceive weakness their position on this and shift ground. However, I should also be prepared for contingency threat would be genuine.

Therefore, would appreciate my instructions for next meeting covering whether if necessary it is desired maintain my present position on inclusion self-defense clause up to point of actual or virtual break. Only by doing so could I completely test strength position he may adopt this regard. At same time would not want to be placed in position of appearing yield on this point in response threat of break by Wang.

With respect implementation Wang showed no enthusiasm for discussion (it was almost 1 p.m. when this introduced) and his replies were perfunctory and along familiar lines. With respect first sentence para 6 Deptel 1465 ³ believe it important, particularly in any public output, to note their position and particularly Wang's position with me since our early exchanges on subject is more subtle than just asserting that agreed announcement does not apply to imprisoned Americans. Position is that there is "distinction" between those "who have committed crimes" and those who have not. With regard to those "who have committed crimes" PRC is taking "further meas-

² Reference is apparently to Wang's statement reported in paragraph 42 of telegram 1364, *supra*. Johnson's summary report of the meeting in telegram 1363 from Geneva, January 12, stated on this point:

"There followed long give and take during which I stressed apparent significance failure their side during three months since my Oct. 8 proposal to agree to specific inclusion Taiwan in any statement, as well as pressed him on willingness include in statement recognition as general principle right individual and collective defense. There was long give and take toward end of which apparently recognizing weakness their public position on inclusion specific mention Taiwan, he stated would consider our amended draft if reference individual collective self-defense removed." (Department of State, Central Files, 611.93/1-1256)

³ Document 128.

ures" accordance agreed announcement and "expeditious" must be read in relation to "seriousness their crimes" etc. This also brought out in Jan 6 Peiping Foreign Office spokesman statement and again in my exchange with Wang Jan 12.

Seems to me our best negotiating and public position is to reiterate simple and publicly understandable charge of failure release "expeditiously" accordance clear Sept 10 comment rather than give currency any doubt imprisoned Americans covered by agreed announcement.

As sidelight Wang introduced two new assistants yesterday, Lai Ya-li ⁴ and Wang Pao-liu, replacing Lin ⁵ and Li. ⁶ (Am transmitting separate tel asking for available bi [sic]). ⁷ On Tuesday met Wang together with Wang Pao-liu in Prague airport they apparently having come from Warsaw. [From?] Prague we traveled by same plane to Zurich. Wang used all of his very limited English in taking initiative congenially greet me, introduce Wang Pao-liu and some innocuous conversation while we were waiting board plane.

[Johnson]

⁴ Newly appointed Counselor of the PRC Embassy in Moscow.

⁵ Lin P'ing.

⁶ Li Hui-ch'uan had been serving as Counselor of the PRC Embassy in Moscow.

⁷ Johnson requested biographic information in telegram 1369 from Geneva, January 13. (Department of State, Central Files, 611.93/1-1356)

131. Telegram From the Secretary of State to Ambassador U. Alexis Johnson, at Geneva ¹

Geneva, January 16, 1956—7:02 p.m.

1496. Guidance for January 19 meeting.

1. Point out that at last meeting in attempt to meet all legitimate Communist points, you had introduced amendment to their counter proposal of December 1. This amendment did not change essential features of Communist proposal, but for purpose of preventing future misunderstanding of scope and meaning, had introduced two clarifying insertions a) making clear it applied to Taiwan area, and b) that it was not intended to deny inherent right of two sides to individual and collective self-defense.

¹ Source: Department of State, Central Files, 611.93/1-1656. Secret; Priority; Limited Distribution. Drafted by Phleger and Clough; cleared in draft by Secretary Dulles, and cleared by Sebald and McConaughy; and approved for transmission by Robertson.

2. Refer to Wang's statement last meeting that Communists would be willing consider inclusion specific mention Taiwan area in renunciation of force declaration. This represents step forward and leaves only self-defense issue standing in way of agreement

3. Insist on necessity to include provision for individual and collective self-defense for protection of rights of both sides. This cannot possibly be objectionable to either side since it is right long recognized by international law. It is expressly provided for in Article 51 of UN Charter. Having raised point, if US were now to agree to remove this provision from declaration on renunciation of force, it could be construed as a waiver by both sides of this inherent right and US cannot agree to this. You should point out that this is not designed in any way to commit Communists to renounce pursuit of their policies by peaceful means with respect to Taiwan, as was stated in your November 10 draft.

4. FYI. You should hold firm on this point. Department considers Communists unlikely break over this, for they would find their position difficult to defend publicly. However, even if Communists should break on this, Department considers it impossible to yield to Communist demand since this could be claimed by Communists to be relinquishment US right to enter collective defense arrangements in Taiwan area, and indeed its right to defend its ships and forces, and to participate in defense of offshore islands, if it decides to do so should they be attacked by Communists. ² End FYI.

5. You should repeat arguments used last meeting, again reviewing course of negotiations and emphasizing US initiative on renunciation of force issue, and its having met every legitimate Communist proposal.

6. Make strong statement on implementation, concentrating on Communist failure fulfill Agreed Announcement expeditiously. Expose absurdity of Communist allegations that US obstructing departure Chinese by citing *Baltimore Sun* article on Liu An-hua. ³ Avoid

² McConaughy told Johnson in his letter of January 16 (see footnote 1, Document 128) that Robertson, Phleger, Sebald, and he all agreed that they could not accept deletion of the provision for individual and collective self defense. He commented:

"It seems clear to us that Wang's strategy is to tie our hands in the Taiwan area by getting us to renounce the right of self defense there. Then, by Chinese Communist reasoning, there would be no occasion for them to exercise any right of self defense in an 'international' dispute and they could deal with the Chinese Nationalists as a domestic insurrectionary element the same as they would with an insurrection in Fukien Province."

³ Liu and his wife were among the seven Chinese students allegedly prevented from returning to China according to Wang's January 5 letter to Johnson; see footnote 10, Document 128. Telegram 1497 to Geneva, January 16, informed Johnson that the *Baltimore Sun* had published an interview with Liu on January 13, in which he stated that he and his wife had been prevented from returning to China for a visit in 1951 but had since become U.S. citizens and did not wish to return to China. (Department of State, Central Files, 611.93/1-1656)

implying that US has obligation or intention to investigate individuals named by Wang in absence any evidence that individuals in question being obstructed from going to Communist China. Wang's inability produce such evidence proves hollowness his charges. Weakness of Wang's position provides you opportunity take offensive as you did last meeting.

7. If Wang should renew demand that substance of discussions be made public, you should state that progress to date made possible by private character of discussions and detailing them to public would only hinder success. US has nothing to hide but has no desire transform talks from serious discussion into propaganda contest.

8. FYI British learned on good authority in Peiping that Wang was there December 31.

Dulles

132. Telegram From Ambassador U. Alexis Johnson to the Department of State ¹

Geneva, January 19, 1956—5 p.m.

1398. 1. Three hour ten minute meeting this morning.

2. Wang opened meeting with long prepared statement reiterating position of objection to individual and collective security clause on grounds it would require them recognize "U.S. occupation Taiwan", referred my previous statements declaration did not involve third parties but said attempt incorporate individual and collective self-defense clause in Taiwan area automatically involves "Chiang clique". Then referring my statements these talks must be free from threat of force, launched into long and strong attack on alleged statements by Secretary which constituted "clamor for atomic war against China", "Chinese cannot be intimidated", "blackmail doomed to failure", "condemned by peaceloving people" etc., "this cannot benefit our talks", "cannot but raise question whether U.S. had genuine sincerity peacefully settle questions between China and U.S."

I replied with long extemporaneous statement first picking up his statements concerning Secretary which I characterized as "entirely uncalled for and gross libel." Record of U.S. had more than demonstrated lack aggressive intent toward other countries including China, cited unparalleled U.S. restraint in Korea in face provocation Chinese

¹ Source: Department of State, Central Files, 611.93/1-1956. Confidential; Niact; Limit Distribution.

attack which gave every moral and legal justification for defending U.N. forces attack Chinese bases. Consistent U.S. record of fostering and protecting freedom and independence other peoples. Purely defensive nature all U.S. collective defense arrangements with other countries. President and Secretary have repeatedly expressed overwhelming sentiment American people never to initiate attack. There is nothing Secretary has ever said in any way that could possibly be interpreted in terms employed by Wang. During subsequent give and take this subject in response my direct question Wang cited *Life* article² as basis for his statements. If had been said by "Knowland or McCarthy" would have been ignored but could not be ignored when made by Secretary. I said I had read article and find no statement by Secretary therein which could remotely support Wang's allegations. Said he should not confuse official and authorized statements with expressions of opinion made on own responsibility by writer magazine article. During course discussion he stated "hard to understand why U.S. on one hand invites PRC make declaration renouncing force while on other hand Secretary State reveals that on three occasions U.S. was on verge unleashing atomic war against China". I replied that I knew of no such revelation by Secretary but did know of statements of determination by U.S. to resist by war if necessary aggression unleashed by others.

Long discussion individual and collective self-defense for most part reiterated former positions. We each took increasingly adamant lines, I following line Department telegram 1496.³ I stated and reiterated "U.S. cannot and will not under any circumstances agree" in negotiating this declaration to PRC demand that U.S. renounce its legitimate right to individual and collective self-defense. Wang avoided meeting me directly on general principle, gave no reply to my interpretation of negotiations and yesterday's public statement⁴ as de-

² The article under reference, "How Dulles Averted War," by James Shepley, appeared in *Life*, January 16, 1956, pp. 70-80. McConaughy sent Johnson a copy with his January 16 letter (cited in footnote 1, Document 128), with the comment:

"In view of the flurry this article has caused here we are taking no chances of your not having it. It is possible that it will either be mentioned by Wang or will influence the Chinese Communist tactics in some way. In any event it would be well for you to know what it says. Judge Phleger remarked on Saturday undoubtedly the article would receive close study in Peiping. He felt that it would probably have an influence on Peiping moves although it could not be predicted what the influence would be. It might well have something of a restraining and sobering effect, although the possibility of a different reaction could not be ruled out."

³ *Supra*.

⁴ The statement issued on January 18 by the Foreign Ministry in Peking charged that the United States was deliberately dragging out the Ambassadorial talks, had refused to come to an agreement on the means for the relaxation of tension in the Taiwan area, and had demanded Chinese acceptance of "the status quo of United States armed occupation of Taiwan". It declared that the only practical and feasible means of settling disputes between China and the United States would be a meeting of Foreign Ministers. Text is in *New York Times*, January 19, 1956.

nouncing [*demanding?*] U.S. renounce individual and collective self-defense but carefully limited presentation his adamant position to PRC recognition U.S. claim applicability this principle Taiwan area. Admancy this position best reflected by Wang's statement "If U.S. insists on including clause individual and collective self-defense in Taiwan area, I do not see how we can reach any agreement."

While he did not challenge neither did he confirm my reference to his statement last meeting concerning willingness consider specific mention Taiwan in declaration.

He then initiated discussion implementation with relatively mild statement giving me additional list of four names. Discussion for most part followed general lines last meeting.

At close of meeting I made statement referring their public statement expressing disappointment, concern over effects on talks and made somewhat double barreled query whether this indicated they did not desire to continue these talks upon basis which I had suggested at beginning of talks and which I had tried very hard to maintain. In reply Wang stressed their statement only "one time operation" reasons for which he had given in two prior meetings. Reaffirmed desire continue talks without suggesting modification present procedures on publicity. He said "it my hope and desire that talks will reach positive, constructive, honest outcome."

He took initiative suggesting next meeting, asking as special accommodation be held Wednesday January 25. When I asked whether this for just one meeting he replied hope next following meeting could be held Friday February 3. But in response my suggestion February 2 instead of February 3 next following meeting we agreed leave question open until next meeting. (For Department's information "Porgy and Bess" company arriving Prague February 4 and I planning hold large reception for them February 4 or 5.)

[Johnson]

133. Telegram From Ambassador U. Alexis Johnson to the Department of State ¹

Geneva, January 20, 1956—1 a.m.

1403. Comment on today's meeting:

¹ Source: Department of State, Central Files, 611.93/1-1956. Secret; Priority; Limited Distribution. Transmitted without a signature.

With respect renunciation force, position concerning self defense clause froze very tight at today's meeting with only slight opening left by Wang. Their yesterday's public statement of course also tends rigidify their position at least for time being.

Wang's persistent relation of PRC objection on self-defense clause to its linkage with Taiwan area suggests that way to agreement might be by rephrasing and or repositioning clause. Question is who takes initiative in suggesting change.

I do not see any immediate possibility breaking this deadlock and would propose at next meeting only to carefully review and reiterate our position.

Although not explicitly confirmed at today's meeting, I feel that they have accepted inclusion specific mention Taiwan, as well as "means" in place of "negotiations". Much of Wang's comments on self-defense clause were based on implicit assumption Taiwan was included in paragraph.

I purposely refrained from my usual tactic of initiating implementation discussion and he was quick to take initiative. In contrast to acrimonious discussion of *Life* article and renunciation force, his manner and language in introducing implementation and particularly when presenting additional list of names was very mild and polite.

I also went some length in testing their desire continue meetings and it is clear they desire to do so for immediate future. However, would be rash to hazard any guess how long this may continue if no new element is introduced.

In considering future course I am continuing consider effects on remaining 13 Americans. I have no doubt if it were possible reach agreement on renunciation force statement, particularly if initiative came from US, additional releases would take place. In absence some such development or additional indirect pressure that could be applied difficult to foresee ChiComs fully carrying out this commitment in near future. In this connection from conversations with correspondents and private individuals here am impressed with success of ChiCom smoke screen on situation of Chinese in US. Most seem impressed by ChiCom citation specific names and feel must be some fire where so much smoke. Also are confused by Liu Yung-ming case. Have found most effective rebuttal is citation fact not single representation yet received from Indians. We need get our story across better this regard, and repeat on all possible occasions.

134. Editorial Note

A statement issued on January 21, by the Department of State outlined the course of the Ambassadorial discussions on renunciation of force; the texts of the Chinese and United States proposals and counterproposals were attached. A portion of the statement, headed "The United States Position", reads as follows:

"Two points must be made clear. First, the United States is not occupying Taiwan and Taiwan has never been a part of Communist China. The claims of Communist China and the contentions of the United States with respect to this area are well known and constitute a major dispute between them. It is specifically with respect to this dispute that the United States has proposed the principle of renunciation of force and the settlement of differences by peaceful means. This is the principle which the Communists say they have accepted.

"In this connection the United States has made completely clear that in renouncing the use of force neither side is relinquishing its objectives and policies but only the use of force to attain them.

"Secondly, the United States has rights and responsibilities in the Taiwan area; also it has a mutual defense treaty. Accordingly it is present in the Taiwan area. The Communist refusal to state that the renunciation of force is without prejudice to the right of self-defense against armed attack can only be interpreted as an attempt to induce the United States to agree that if attacked it will forgo the right to defend its lawful presence in this area.

"The right of individual and collective self-defense against armed attack is inherent; it is recognized in international law; it is specifically affirmed in the charter of the United Nations. No country can be expected to forgo this right. Indeed, the Communists should be as anxious to preserve this right as is the United States."

The complete text of the statement is in Department of State *Bulletin*, January 30, 1956, pages 164-167.

135. Telegram From the Secretary of State to Ambassador U. Alexis Johnson, at Geneva ¹

Washington, January 23, 1955—7:33 p.m.

1533. Guidance for January 25 meeting.

¹ Source: Department of State, Central Files, 611.93/1-2356. Secret; Priority; Limited Distribution. Drafted in CA; cleared by Secretary Dulles, according to a note in Robertson's handwriting, and by Phleger and Sebald; and approved for transmission by Robertson.

1. Concur your proposal only to review and reiterate U.S. position on renunciation of force. Department's press release January 21 (Deptel 1524) ² affords guideline for your presentation.

2. You should not take any initiative to rephrase or reposition self-defense clause so as to set it apart from reference to Taiwan area, but you can make clear that its location is not designed to stop the Chinese Communists from pursuit of their policies by peaceful means with respect to Taiwan.

3. Renew demand that Communists make good on their undertaking to release Americans expeditiously. Reiterate no Chinese being prevented from leaving U.S., no case of Chinese claiming he being obstructed has been brought to Department's attention by Indian Embassy, no response received to Department's public statement December 16 asking anyone who knew of Chinese being obstructed to communicate at once with Department or Indian Embassy. Chinese in U.S. completely free to write to relatives on mainland China if they wish. No U.S. responsibility for fact that some fail to write. FYI Department investigating case of Yuan Jui-hsiang (your 1365), ³ alleged by Wang to have been taken into custody by US Immigration Service. Will take some time since Immigration does not maintain central files individual cases and must query each immigration district office. May be impossible trace if name given by Wang differs radically from spelling used by individual himself. End FYI.

4. Contrast US performance with Communist refusal so far fulfill their commitment and emphasize Communist non-fulfillment would cast doubt on dependability of their pledged word.

5. Point out that responsibility for dragging out of talks lies with Communists, who not only fail to carry out their pledge of September 10, but also refuse to accept reasonable U.S. proposal for renunciation of force by both sides which would remove threat of war in Taiwan area and permit constructive discussion other practical matters at issue.

Dulles

² Telegram 1524, January 20, transmitted the text of the Department's January 21 statement. (*Ibid.*, 611.93/1-2056)

³ Telegram 1365, January 13, transmitted a list which Wang had given to Johnson at the meeting the day before of three allegedly "missing" Chinese in the United States, including Yuan. (*Ibid.*, 611.93/1-1356)

136. Editorial Note

A statement issued on January 24 by the Foreign Ministry of the People's Republic of China reads in part as follows:

"A settlement of the international question of the tension in the Taiwan area through negotiation between China and the United States must not be mixed up with China's exercise of its sovereign right in the Taiwan area to settle a domestic matter. Taiwan is a part of China's territory. No amount of sophistry can make out Taiwan a part of the United States and not a part of China. New China has succeeded to China's entire territory and sovereignty. No statement by the United States Department of State can alter this indisputable fact. The relations of New China with the Chiang Kai-shek clique is China's domestic matter. Whenever there is any possibility, China will strive for the settlement of this matter by peaceful means, but the United States has no right whatsoever to interfere."

It further declared that the Chinese had consistently complied with the agreed announcement and the United States had not; that tension in the Taiwan area was due to United States "armed occupation of Taiwan and interference in China's internal affairs" and a Sino-American meeting of Foreign Ministers should be held to deal with this question; that a statement on the renunciation of force "must lead to the elimination of the force and threat of force employed by the United States in the Taiwan area, and cannot possibly be utilized to induce China to accept the status quo of United States occupation of Taiwan"; and that if the United States persisted in making such a demand and in dragging out the Ambassadorial talks, "the United States must bear the responsibility for all the consequences." The statement is printed as a supplement to *People's China*, February 1, 1956.

137. Telegram From Ambassador U. Alexis Johnson to the Department of State ¹

Geneva, January 25, 1956—4 p.m.

1419. Three hour twenty minute meeting this morning.

I opened with prepared statement on renunciation force. Stressed proposed declaration was essential preliminary other discussions, fact it did not require acceptance by either side or views of other. Pointed

¹ Source: Department of State, Central Files, 611.93/1-2556. Confidential; Priority; Limit Distribution.

out his attempt force US into renouncing self-defense right was distortion original proposal and was "effort obtain US capitulation to PRC demands with respect our controversy Taiwan area". Cannot expect this to succeed.

Wang replied with strong attack on US record Korea, bitter repetition charge of US "occupation" Taiwan and assertion US building base there for mainland invasion. Said Foreign Ministers conference must be held to settle question relaxation tension, realize principle non-use force. Demand withdrawal US forces from Taiwan.

I reiterated facts on restraint of US and UN action Korea, refuted his charge of US "occupation" Taiwan by statement purely defensive and limited character our collective defense arrangements with GRC, which UN member and recognized by majority of world governments. Again assured Wang we not asking they accept our views, contrasting this with his attempt force US capitulate to views PRC regarding Taiwan controversy. I made this statement as pointed as possible and reiterated it in give and take in order test whether Wang would deny they attempting demand US capitulation. He refused all openings to deny it, reaffirmed that "liberation" Taiwan is exercise of Chinese peoples' inherent right self-defense, finally stated flatly "it not sufficient merely to state that either side may not accept views of other. Some views must be opposed".

On implementation I took initiative with my most forceful refutation to date their attempt claim distinction between "ordinary" and "law-breaking" Americans, referring to PRC Vice Minister's letter to O'Neill (Deptel 1530).² Wang reaffirmed their position supporting distinction, reiterated standard charges, demanded revocation alleged Taiwan entry permit requirement and other pressures on Chinese in US, demanded "accounting" persons on his previous lists. Handed me new list 4 unheard from Chinese in US.

In give and take I stressed lack representations from Indians to which Wang had no rebuttal.

At close, Wang suggested instead of postponing next meeting to February 3 it be moved to January 28. I declined, saying had made arrangements for February 3 meeting accordance his proposal last meeting, but said I willing meet on February 2 as per regular schedule. Wang shifted back to February 3 date to which I agreed.³

² Telegram 1530 to Geneva, January 23, transmitted to Johnson the text of a letter from the PRC Vice Foreign Minister to O'Neill which attributed this distinction to the agreed announcement and stated that American "criminals" in China could not exercise their right of repatriation until the Chinese Government had adopted measures, the nature and timing of which was entirely a matter of Chinese sovereignty. The telegram instructed Johnson to protest this "gross misrepresentation and violation" of the agreed announcement. (*Ibid.*, 611.93/1-2356)

³ Telegram 1429 from Geneva, January 27, reported that the meeting had been shifted to February 4 at Chinese request. (*Ibid.*, 611.93/1-2756)

Leaving for Prague Thursday. Returning Tuesday.⁴

[Johnson]

⁴ January 26 and 31.

138. Telegram From the Ambassador in the Republic of China (Rankin) to the Department of State¹

Taipei, January 26, 1956—2 p.m.

681. The following aide-mémoire dated January 25 was handed to me this morning² by the Foreign Minister:

"The Chinese Government after having studied the statement issued by the State Department on January 21 on the talks between Ambassador Johnson and the Chinese Communist representative in Geneva, feels constrained to present the following views for the consideration of the US Government.

"Since the opening of the Geneva talks, the Chinese Government has in its public pronouncements consistently supported the US effort to secure the release of its nationals illegally held by the Chinese Communists. The US Government has given repeated assurances that there would be no discussion any matters involving the rights, claims, or essential interests of the Republic of China. A careful study of the published account of the talks thus far reveals, however, that the negotiations in fact bear considerably upon the rights and interests of the Republic of China.

"The Chinese Government views with particular concern the offer made by the US to enter into a bilateral declaration with the Chinese Communist regime concerning the renunciation of the use of force. Such a declaration would be tantamount to an admission by the US to equal responsibility for the existing situation in the Taiwan Strait, for which the Chinese Communists should and must be held solely responsible. In the form now proposed by the US it might be understood to imply a tacit de facto recognition of the Chi-

¹ Source: Department of State, Central Files, 611.93/1-2656. Confidential. Transmitted in two parts. Repeated to Hong Kong and Geneva for information.

² Rankin reported in telegram 682 from Taipei, January 26, that after giving him the aide-mémoire Foreign Minister Yeh stated that it was the result of the U.S. public statement of January 21 and the lack of a reply to his November 17 message to Secretary Dulles. Yeh expressed concern at the "neutralist tone" of the January 21 statement and at the implication of de facto recognition in the U.S. proposal for a joint declaration renouncing force; he asked if the United States was convinced that a "Two Chinas" concept was now inescapable. (*Ibid.*)

nese Communist regime. It would be construed by the free peoples in Asia and elsewhere as a further retreat of the US position and would consequently weaken their determination of resisting Communist inducement. It would also encourage those countries who are already inclined towards the idea of two Chinas to pursue their machinations with renewed and greater vigor. Since the Four-Power Conference in July, 1955, the tendency toward appeasement has already resulted in a series of trade agreements and other contracts by a number of countries in Asia and the Middle East with the Chinese Communist regime to the detriment of the position and prestige of the Chinese Government. On the other hand, the readiness on the part of the US, now made public, to accept the puppet Chinese Communist regime as an equal party in negotiation, together with the US willingness to renounce the use of force in an arrangement with an aggressor, tends to enhance the international position and prestige of the Chinese Communist regime whose flagrant violations of the principles of the Charter have been condemned by the UN and whose admission into the UN the US has consistently opposed.

"The Chinese Government is deeply perturbed by the disclosure that, throughout the negotiations between Ambassador Johnson and the Communist representative, the US has repeatedly assured the Communists that renunciation by the Chinese Communists of the use of force would in no way prejudice the peaceful pursuit of Communist policies in the Taiwan area. It is regretted that the US Government should have found it necessary to go to the extent of assuming such a position, the legal and political implication of which could only mean that the US was not only recognizing by inference the claims of the Chinese Communists, but was also giving encouragement to the pursuit of such claims on the part of the Chinese Communists. No amount of legal interpretation could conceal the fact that any arrangement made with the Chinese Communists in the terms offered by the US would gravely injure the basic rights and interests of the Republic of China. The Chinese Government finds it difficult to reconcile the position taken by the US in this regard with the assurances repeatedly given the Republic of China and considers it inconsistent with the spirit of the Sino-American Mutual Defense Treaty.

"It may be recalled that Foreign Minister Yeh has, both in writing and conversation with Secretary Dulles, stressed the vital importance for the Chinese Government to keep alive its political objective of recovering the Chinese Mainland. Any action on the part of the US which could be construed as *de facto* recognition of the Chinese Communist regime would be tantamount to US denial of the right of the Republic of China to strive for the deliverance of the Chinese people from the yoke of the Communist tyranny. The Government

of the Republic of China has done its utmost to cooperate with the US in preserving peace in the Taiwan area. It hopes, however, that the US will refrain from any action which would, in the eyes of the free world and the Chinese people both on the outside and Mainland, tend to support the view that the Chinese Mainland is lost to the Communists forever.

"It is to be observed that, although the Communists have rejected the US draft of January 12, 1956, the rejection may not be final and there exists a possibility of their acceptance in substance at a later date when it becomes advantageous for them to do so. Such possibility appears even greater in view of Secretary Dulles' expression of hope in his press statement yesterday³ that the talks would be continued to a fruitful conclusion. The Chinese Government would like to be informed whether in the event of an agreement reached on the renunciation of use of force the US would assume the position that the Chinese Communists have thereby demonstrated their peace-loving intentions and are thus eligible for admission to the UN. Should such a position be taken by other governments, such as those of India and the United Kingdom, would the US continue to oppose the admission of the Chinese Communists into the UN? Above all, can we be certain that the Chinese Communists would honor their renunciation of the use of force?

"It has been the consistent view of the Chinese Government that the Geneva talks, once permitted to go beyond the practical question of civilian repatriation, would inevitably degenerate into favorable platform for Communist propaganda and provide opportunities for neutralist countries to further exert pressure on the US toward appeasement. This view has unfortunately been borne out by recent events.

"It is the considered opinion of the Chinese Government that, in the interests of the US and the Republic of China as well as the free world as a whole, the Geneva talks on the renunciation of the use of force should be brought to an end as soon as possible. This is an opportune moment to do so since the Communists by their refusal to accept the many concessions made by the US could be held solely responsible for the failure of the negotiations. As to the renewed proposal of the Communists to raise the Geneva talks to a ministerial level, the Chinese Government feels that such a step would only serve to accentuate the implication of de facto recognition of the puppet regime in Peiping and to open the way to further Communist demands.

³ For the transcript of Secretary Dulles' press conference of January 24, see Department of State *Bulletin*, February 6, 1956, pp. 195-202.

"The Chinese Government would appreciate an early reply from the US Government on the views stated above."

Rankin

139. Telegram From the Ambassador in the Republic of China (Rankin) to the Department of State ¹

Taipei, January 26, 1956—8 p.m.

685. Embassy telegram 643. ² Foreign Minister today handed me Chinese counter-proposals for status of forces agreement. These appear to be complete redraft of US proposals delivered August 2, 1955 ³ and have received extensive attention from Justice Ministry. Only portion virtually unchanged is accompanying "military agreement" although Chinese have added to this a request for transfer to GRC of highly classified electronics equipment upon termination of agreement.

GRC repeated [*replaced?*] US proposals for exclusive jurisdiction with NATO type formula insuring that Chinese courts retain right to try all cases involving offenses recognizable by Chinese law. Stringent claims provisions also added, while liberal portions of provisions for customs and tax exemptions, APO, vehicle licensing and other privileges presently enjoyed by MAAG personnel have been removed or strictly limited.

Soon as extra copies Chinese draft obtainable will forward Department and DOD. ⁴ Meanwhile Embassy planning detailed exami-

¹ Source: Department of State, Central Files, 793.5/1-2656. Secret. Passed to the Department of Defense and to CINCPAC by the Department at the Embassy's request.

² Telegram 643 from Taipei, January 16, transmitted the text of a message which Rankin had sent to Admiral Stump on December 13 in reply to a message from Stump, which apparently expressed concern at the lack of progress in the negotiation of a status of forces agreement and suggested a compromise solution to the problem of jurisdiction. Rankin's message to Stump stated that he had been pressing Foreign Minister Yeh for a reply to the U.S. proposals of August 2 (see footnote 6, vol. II, Document 275). He noted that the question of jurisdiction was a very delicate one for the Chinese, since the Legislative Yuan was very sensitive to anything suggestive of extra-territoriality, but commented that they might be willing to accept a compromise. The Embassy had several alternative formulas but was unwilling to present them until the Chinese were ready to negotiate in earnest. Telegram 643 concluded with Rankin's comment that he thought the Chinese would welcome a compromise solution to the existing situation, "which I cannot call impasse, as alternatives have not yet even been explored, but which is still on dead center." (Department of State, Central Files, 793.5/1-1656; unnumbered message from Taipei to CINCPAC, December 13; *ibid.*, 793.5/12-1355)

³ Transmitted with despatch 458 from Taipei, February 10. (*Ibid.*, 793.5/2-1056)

⁴ Transmitted with despatch 458 from Taipei, February 10. (*Ibid.*)

nation Chinese drafts in coordination MAAG TDC and 13 ATF representatives and preparation joint comments for Washington consideration.

Chinese appear to have gone much further in rewriting agreements than even Embassy anticipated. Would seem they are using this as vehicle to vent annoyance over numerous misunderstandings and disagreements with US military on administrative matters which have occurred in proportion to increase of US forces here, and to demonstrate that seeming laxity and magnanimity of Ministry National Defense in dealings with US forces does not permeate GRC structure and must terminate. Provisions of GRC counter-proposals at first glance seem so far from current US policies that agreement almost impossible. They may be assumed to represent extreme Chinese bargaining position, but we should be prepared for long difficult negotiations before our divergent positions reconciled.⁵

Rankin

⁵ Negotiations continued intermittently during the next 15 months, with the question of jurisdiction remaining the major obstacle to agreement. In instruction A-114 to Taipei, November 3, a joint State-Defense message, the Embassy was instructed to propose a compromise solution, under which the jurisdictional clause would be substantially as proposed by the Chinese but the Chinese Government would declare, either in an exchange of notes or in a written statement of intent, which might be classified, its intention to waive jurisdiction in all cases except security offenses. (*Ibid.*, 793.5/8-1755) Telegram 1071 from Taipei, April 24, 1957, reported that in an informal negotiating session that day, the Chinese had rejected the proposal for an exchange of notes limiting Chinese jurisdiction to security offenses and had agreed to present a written counterproposal as soon as possible. (*Ibid.*, 793.5/4-2457) No further negotiations took place prior to the end of 1957. Documentation concerning negotiations is *ibid.*, 793.5 and 711.56393; related documentation is *ibid.*, FE Files: Lot 59 D 19.

140. Telegram From the Commander in Chief, Pacific (Stump) to the Chief of Naval Operations (Carney)¹

Honolulu, January 28, 1956—2:15 p.m.

290015Z. COMPACAF 232345Z² and my 272225Z³ both PASEP. The addition of this unit to the defenses of Taiwan would

¹ Source: JCS Records, 381 Formosa (11-8-48) Sec. 32. Top Secret.

² Telegram 232345Z from COMPACAF to CINCPAC, January 23, presented a proposal to deploy to Taiwan one flight of a tactical missile squadron equipped with TM-61C (Matador) missiles, which the Far East Air Force was to receive in fiscal year 1957. (*Ibid.*)

³ Telegram 272225Z from CINCPAC to COMPACAF, January 27, stated that JCS approval was necessary prior to CINCPAC concurrence and raised several points for consideration. (*Ibid.*)

undoubtedly give a big boost to the morale of the Chinats on the basis of its power alone. An additional and important factor would be the added participation of the US in the defense of Taiwan exemplified by the establishment of such a US unit on the island. However in addition to the points made in my 272225Z is the ever growing US military population in Taiwan. There are too many Americans there now as emphasized by Ambassador Rankin and Adm Radford and as observed by myself and VAdm Pride. The high standard of living of low level American military families is in marked contrast to the low living standards of many high level Chinese. There is growing evidence of Chinese resentment of both the number and living standards of Americans. This reaction is natural and normal and not alarming but it is still unfortunate. I am studying means of limiting the further growth and if possible reducing and centralizing control of the US military population in Taiwan. Of primary concern to me is the increase of US operational units on Taiwan for the defense of Taiwan over which the commander Taiwan defense command has no control. This is basically and fundamentally unsound and should be resolved before any more operational units are established. Taipei [685] 26 Jan 8 pm passed to Defense and CINCPAC by State ⁴ bears on this msg.

⁴ *Supra.*

141. Telegram From the Secretary of State to Ambassador U. Alexis Johnson, at Geneva ¹

Washington, January 30, 1956—6:13 p.m.

1559. Guidance for February 4 meeting.

1. Concur in your estimate (your 1426) ² that most likely Communist tactic next meeting is renewed attack on US position regarding renunciation of force. You should respond along lines your presentation last meeting.

¹ Source: Department of State, Central Files, 611.93/1-3056. Secret; Priority; Limit Distribution. Drafted by Phleger, Clough, and McConaughy; cleared in draft by the Secretary; cleared by Sebald; and approved by Robertson.

² In telegram 1426, January 26, Johnson commented on the meeting the previous day and on Wang's possible courses of action at the following meeting. He commented that the "extreme position" adopted by the Chinese with respect to the self defense clause and their public statements might represent a policy decision to make no further effort to reach agreement but to try to win support for a Foreign Ministers meeting. (*Ibid.*, 611.93/1-2656)

2. Reiterate demand for expeditious release Americans. Note that flagrancy Chinese Communist breach of Agreed Announcement cumulative with each added week of non-performance. Again reject in vigorous terms Communist attempt exclude imprisoned Americans from application Agreed Announcement. Point out that imprisoned Americans were very persons about whom we were making representations when Agreed Announcement was drafted and issued. Also point out that instead of fulfilling commitment to take appropriate measures expedite Americans' return, in at least two cases some six weeks after issuance Agreed Announcement, Americans who had been held in prison several years were tried for first time and sentenced to long prison terms. This is callous violation their pledge. Longer they unjustifiably continue hold Americans, more apparent it becomes to people of world that they using human beings as political hostages. Such action is repugnant to all civilized nations. FYI During coming meetings you should continue build strong case against Communists aimed particularly at their failure to honor commitments and demonstrated use individuals as political pawns. End FYI.

3. Inform Wang US is investigating case of Yuan Jui-hsiang, alleged to have been taken into custody by US Immigration Service, but does not intend investigate other names previously submitted by Wang in absence specific showing claiming that US Government obstructing departure these persons. Refuse to accept any more names unless Wang makes such showing. Failure of Chinese in this country to write letters to Communist China is no evidence either that they wish to go to Communist China or that they have encountered obstruction.

4. Your argumentation at last meeting was excellent throughout and theme can be repeated next meeting with suitable variations.

5. FYI We do not wish talks broken off and under no circumstances should break come from us. Break, if inevitable, should come from other side. If Communist press for discussion of trade embargo or higher level meetings you should maintain position that fruitless to discuss other issues until both sides renounce use of force.

6. FYI. It would be possible by rearranging draft announcement of renunciation of force to eliminate any basis for claim that juxtaposition of reservation of self-defense and mention of Taiwan would represent Communist concession that Taiwan not part of China, and we could also insert statement that neither party gives up right to achieve objectives by peaceful means. However, because of categorical Communist statements which make clear their plan to contend that US renunciation of force would in effect give up US rights in Taiwan area and in implementation of Defense Treaty with GRC, we

do not ourselves suggest any change in formulation of announcement, as it would be misinterpreted.

Dulles

142. Memorandum of a Conversation, Department of State, Washington, January 31, 1956, 10:30 a.m.–12:30 p.m.¹

ETW MC–3

PARTICIPANTS

US

The Secretary
Under Secretary Hoover
Ambassador Aldrich
Mr. Prochnow
Mr. MacArthur
Mr. Merchant
Mr. Robertson
Mr. McCordle
Mr. Bowie
Mr. Young
Mr. McConaughy
Mr. Goodkind
Mr. Cottman

UK

Foreign Secretary Lloyd
Ambassador Makins
Sir Harold Caccia
Sir Leslie Rowan
Sir Hubert Graves
Mr. Coulson

[Here follows a list of subjects discussed and a record of discussion concerning Southeast Asia.]

China

The Secretary said that the military position was important, especially in the Formosa area. He recalled that the Geneva talks with the Chinese Communists had been going on since August 1. The discussions were not in a healthy state at the moment. The US had hoped to get its imprisoned nationals out of Communist China. These Americans are held on political charges. Weeks had been consumed in debating whether the repatriation arrangement would cover Americans held for these alleged offenses. The Agreed Announce-

¹ Source: Department of State, Conference Files: Lot 62 D 181, CF 648. Secret. Prepared in the Department of State. The source text, dated February 7, bears no indication of the drafter. It and the memorandum *infra* are among a series of memoranda of conversations which took place during Prime Minister Eden's visit to Washington, January 31–February 3.

The participants listed below who have not been previously identified include: Herbert V. Prochnow, Deputy Under Secretary of State for Economic Affairs; J. Stewart Cottman of the Executive Secretariat; Sir Leslie Rowan, Second Secretary of the Treasury; and apparently Sir John Coulson, British Minister at Washington.

ment which was finally issued at Geneva made it clear that all Americans were covered. The Announcement contains no qualification as to the right of all Americans in China to repatriation. We were discussing a list of 19 imprisoned Americans at the time of the Announcement. Only six have been released since then. None have been released for some time. The Chinese Communists have gone back to their original position, that the declaration should not apply to prisoners.

The Chinese Communists want to talk about the trade embargo and their proposal for a higher level meeting. The US has said that it does not wish to talk about other subjects under the menace of force and has asked for a renunciation of force declaration. The Chinese Communists have indicated they were willing to make a declaration renouncing force in international affairs as defined by them, but not in regard to Formosa issues, in as much as they consider Formosa a domestic question. Each side has put forward a draft and a counter draft, none of which is acceptable to the other side. It seems that we are pretty near the end of the road, with each side holding firmly to its present position.

The Secretary remarked that of course it could be alleged by the Chinese Communists that Formosa is a domestic affair. The same contention could be made as to other divided countries such as Korea, Indochina, and Germany. This view is not realistic, since everyone knows that as a practical affair conflict between the contending sides in these divided countries would lead to war, and so the issues are international in scope.

The next Geneva meeting is scheduled for February 4. It seems likely that Chou En-lai's speech of January 30 in Peiping² has some bearing on the Geneva talks. In that speech he openly threatened the use of force. We do not know whether he means it.

The Secretary observed that Wang Ping-nan in the course of the talks at Geneva has never separated the off-shore islands from Formosa. There has never been any distinction between these Communist objectives. The US does not recognize any distinction in the Communist claims either. But it is interesting to observe that the

² Reference is to Premier Chou's political report before the National Committee of the Chinese People's Political Consultative Conference. His remarks concerning Taiwan read in part as follows:

"In the past year, our Government has pointed out over and over again that apart from liberating Taiwan by means of war, there exists also the possibility of liberating Taiwan by peaceful means. Thus, the people of our country, both on the mainland and in Taiwan, have a common patriotic duty, that is, to strive for the liberation of Taiwan by peaceful means, besides actively preparing for its liberation by means of war if necessary."

The text of the speech is printed as a supplement to *People's China*, February 16, 1956.

Chinese Communists would not modify their demand for Formosa even if the Nationalists could be induced to abandon Quemoy and Matsu.

The Secretary observed that the artillery duels between the off-shore islands and the mainland have been intensified in the last few weeks. However, the U.S. Watch Committee which is closely following daily developments in the area, feels that preparations are not yet in place for an offensive against the off-shore islands. Not even a limited offensive is expected immediately.

Mr. Lloyd asked if the Chinese Nationalists have strengthened their positions on the off-shore islands?

The Secretary said there was a reinforcement about a year ago but he was not aware of any marked recent increase.

Mr. Robertson thought there had been some slight increase. Mr. Robertson mentioned the Communist effort to build a causeway from the mainland to Tateng, and Chinese Nationalist artillery fire to interfere with this construction.

Foreign Secretary Lloyd asked if the US considered the Chinese Nationalist position on the off-shore islands defensible.

The Secretary said that the Nationalist forces were strongly entrenched and quite a military effort would be necessary to dislodge them. The greatest difficulty lay in the field of resupply. The anchorages were vulnerable to artillery and air bombardment.

Showing Mr. Lloyd a map, the Secretary said the military situation was complicated by the fact that small islands were included in both the Matsu and the Quemoy complexes. Artillery emplaced on the small islands could threaten either the larger islands or the mainland. He thought the questions as to whether an assault on the islands could succeed and whether such assaults would be directly related to the security of Formosa were open ones.

Foreign Secretary Lloyd said that Prime Minister Eden was very worried over the military situation in the area. It was not a question of the intrinsic value of the islands but of the possibility that hostilities originating there might spread.

The Secretary said the situation there did not seem as warm as it was a year ago, but it was probably just as warm as it was 5 or 6 months ago. The US intelligence estimate was that a large-scale attack on the outlying islands within the next few months was doubtful, but it was never possible to be sure about these things. The opportunities for the Chinese Communists to improve their international position by maintaining a peaceful posture for the time being might make them indisposed to gamble on a military effort in the Formosa area. The Chinese Communists hoped to get into the UN. They were trying to exploit neutralist sentiment. They were engaged in a lot of schemes which they attached importance to. All this

would be jeopardized by a military adventure. So the US political estimate coincided with that of the military. An early attack is not considered probable.

The Secretary said that he knew the British were thinking along the lines of the desirability of inducing the Chinese Nationalists to withdraw from the off-shore islands. He did not think this was a practicable thing to do. Relinquishment of the islands would undoubtedly have a very bad effect on the morale of the Chinese on Formosa. It was the considered judgment of the Chinese Government that the security of Formosa would be undermined by withdrawal from the off-shore islands. The US could not dissent from this finding. In any event, the US could not force the Nationalists to abandon the off-shore islands. The US had investigated the possibility of prevailing on the Chinese Nationalists to lower their estimate of the importance of the off-shore islands. The result had been negative. There could be no possibility of changing the Chinese Nationalist position as to the off-shore islands without drastic action. Drastic action would have consequences more dangerous than a continuation of the present situation. It was out of the question.

Foreign Secretary Lloyd said the British presumed that if the Nationalist forces on the off-shore islands were destroyed the situation would be worse for them than if they voluntarily withdrew from the islands now.

The Secretary said this could not be taken as certain. The Chinese Government felt that it was better to put up a good fight and lose than to give up voluntarily. It is not certain that the Chinese Nationalists would lose. The US position in the event of a Chinese Communist attack was not decided. Under the Mutual Defense Treaty and the Joint Resolution of last January it would be left to the judgment of the President. The President would consider the problem in the context of the security of Formosa. So far the Chinese Communists have never disassociated the seizure of the off-shore islands from the seizure of Formosa. They have always lumped the two together.

The Secretary showed Mr. Lloyd on a map the progress of the Chinese Communist airfield buildup in the Fukien area opposite Formosa. He mentioned that seven new fields will be completed by April 1. Several of the fields are nearly prepared for use but are not actually operational yet. They can be occupied on short notice.

Ambassador Makins asked if there were 7 jet airfields altogether.

Mr. Robertson said there were 10 altogether, constructed or in the course of construction.

The Secretary mentioned the railroad being built to the Fukien coast. The rail line to Amoy was expected to be usable by the end of

this year. Another rail extension to Foochow was scheduled for completion somewhat later.

Mr. Robertson mentioned the bad effect which any withdrawal in the face of Chinese Communist threats would have on the overseas Chinese. It would tend inevitably to throw them into the Peiping orbit.

Foreign Secretary Lloyd said that he knew Mr. Eden wanted to talk further on this subject. He thought perhaps the subject might be left until then.

Chinese Representation in the UN

Foreign Secretary Lloyd said that he knew that the United States had difficulties at home in regard to the China trade embargo issue. He said that his Government also had difficulties at home on this question and on the issue of Chinese representation in the UN. Each year it becomes a little more difficult for the Government to defend the "moratorium" arrangement³ than the year before. He did not think "the end of the world" would come as a result of this difficulty but he wanted the Secretary to know that the question was not an easy one for the United Kingdom. It "weakened the alliance a bit" on the British side. British acceptance of the moratorium idea was widely considered "not reasonable" in the UK. The Government was asked why it did not come out and take a stand on this clear-cut issue, rather than postpone its consideration year after year. The Government reply was "Why put added strain on the alliance by taking a position opposed to that of the U.S.?" This reply had sufficed so far but the justification became more difficult each year.

The Secretary said admission of Communist China to the UN would certainly put more strain on the UN. He said that the President would like to speak to the Prime Minister on that subject. The President felt strongly on the issue. The President feared that it would not be practicable to maintain UN headquarters in the U.S. if Communist China were admitted to the UN under present circumstances. Admission of Communist China would create a serious problem for the U.S. The U.S. would hope very much to continue the moratorium arrangement until there was a real reason to change it. The business of keeping the arrangement on a calendar year basis did not seem very satisfactory to the U.S., although apparently the UK preferred that formula.

³ Pursuant to an informal agreement reached in June 1951, the United States and the United Kingdom supported proposals to postpone consideration of Chinese representation whenever that question had been raised in the United Nations and specialized agency bodies.

The Secretary said he wished the two Governments could get together on China policy. This was the only area where a difference of any real substance existed, although there might be some limited divergence in the Middle East.

The Secretary said the problem of holding the insular positions around the great Eurasian land mass held by the Communists was difficult but the U.S. Government felt strongly that it had to be solved. It was important not only for the U.S. but for all countries. The retention of the positions in the Western Pacific was basic for the U.S. If we lost the chain of positions in the Western Pacific stretching from the Aleutians to Australia and New Zealand, it would be almost as bad as if we lost the Atlantic positions. From a physical defense standpoint it would be about equally disastrous. We would have to fall back to the continental U.S., possibly being able to keep the Hawaiian Islands. The western rim of the Pacific was extremely vital to the U.S. from a defense standpoint. It was very hard to hold these peripheral positions against the great mass of Communist China. This referred to both the land mass and the mass of people. Furthermore, the Chinese mainland traditionally exerts a great influence on the entire Western Pacific area. There is additionally a large and active Chinese population throughout this area. Often the Chinese population in Southeast Asian countries constitutes a decisive balance. If the Chinese communities swing over to Communist China and become loyal to the Chinese Communist regime—and this would be likely to happen if the U.S. and other countries accept the Chinese Communists as the only Government of all China—all our difficulties in trying to hold the area would be greatly multiplied. The situation would be simple if Communist China was not hostile to everything the U.S. believes in. Unfortunately that hostility does exist.

The Secretary recalled that some people argued that if you accept the Communist regime on the mainland, it would be possible to wean it away from the Soviet Union. This was risky advice. The U.S. must avoid enhancement of the power position of the Chinese Communist regime in the absence of a break between Moscow and Peiping. Even if it is conceded that an eventual cleavage between Peiping and Moscow may occur, action now based on this assumption would enable the Chinese Communists during the intermediate period before the break to take over the entire Western position in Asia and the Far East. So long as this strong hostility exists on the part of Communist China—so long as the impact of violent revolution on the mainland is undiminished (and there does seem to be more violence in the Chinese Communist revolution than in the Soviet revolution today)—the only course that will protect U.S. vital interests (and perhaps British vital interests, too) is to refrain from

taking any action which would strengthen the Chinese Communist regime.

The Secretary said that some seem to think this position unreasonable. He thought it was highly reasonable. He wished that the Foreign Secretary could share that view. The Secretary considered the issue almost as vital for the UK as for the U.S., even though the British home islands were not washed by the waters of the Pacific. He recalled that the British had to consider Australia, New Zealand, Malaya and Singapore, all of which were in a [the] critical area he was talking about.

Foreign Secretary Lloyd said it seemed to his Government that from a long term standpoint present policies toward Communist China tended to cement Communist China and the USSR. His Government felt there were fundamental natural differences between Russia and China. If we stopped our interference, nature would reassert itself. Major differences would develop between the two principal Communist powers. Mr. Lloyd said that he agreed as to the dangerous effects on the overseas Chinese of any concessions to Communist China. The question was where and how to strike a balance between the opposing considerations.

The Secretary said he would agree that if you took a look down the long vistas of time, eventual differences between Moscow and Peiping could be anticipated. The Foreign Secretary was right from that standpoint. But these natural rivalries might take 100 years to assert themselves. A caller had recently remarked to him that 100 years from now the U.S. and Russia would be allied against China.

The Foreign Secretary said at least he and the Secretary presumably wouldn't have to worry about the question at that time.

The Secretary said that on the basis of history and tradition, differences some day would probably emerge. It was a problem of timing. A policy not only had to be right, it had to be right at the right time. The question of gains for Communist China in the intermediate period was one of great gravity for the U.S. There would be no profit for the non-Communist world if differences emerged between the Soviet Union and Communist China after our vital interests have already been impaired. For this reason any weakness of the Western position was fraught with danger. Maybe the Moscow-Peiping alliance would some day fall apart. But would it happen quickly enough? The Secretary recalled that in World War II, it was freely predicted that the Axis partners would split, should they win. But the Allies did not stop fighting on that account.

The necessity for curbing Communist China has a bearing on the UN membership question and also on the trade control question, although as to the latter, the psychological factors were perhaps more important than the commercial ones. The commercial considerations

were of course not without importance. As he saw it, the problem was, "How are we going to hold these detached insular positions at least until the evolution of Chinese Communist internal policy makes the regime no longer hostile and no longer to be feared?" Only by holding the strongest possible moral barriers against the Chinese Communists would it be possible to maintain a defensive position against them.

[Here follows discussion concerning the question of trade controls scheduled for inclusion in the economic defense compilation in a forthcoming volume.]

**143. Memorandum of a Conversation, The White House,
Washington, January 31, 1956, 1 p.m.¹**

ETW MC-4

PARTICIPANTS

US

President Eisenhower
Secretary Dulles
Ambassador Aldrich
Mr. MacArthur
Mr. Merchant
Mr. Allen
Mr. Robertson
Colonel Goodpaster

UK

Prime Minister Eden
Foreign Secretary Lloyd
Ambassador Makins
Sir Harold Caccia
Sir Leslie Rowan

[Here follows a list of subjects discussed, a brief summary of Secretary Dulles' report to the President and Prime Minister on his discussions that morning with Foreign Secretary Lloyd, and a record of discussion concerning Vietnam and the question of Chinese representation in the United Nations (scheduled for inclusion in the United Nations membership compilation in a forthcoming volume).]

Offshore Islands

The subject then switched to the off-shore islands. Prime Minister Eden said he was particularly worried about this situation and that he had hoped the US would persuade President Chiang Kai-shek to evacuate these islands. President Eisenhower replied that he could

¹ Source: Department of State, Conference Files: Lot 62 D 181, CF 648. Secret. Prepared in the Department of State. The source text, dated February 7, bears no indication of the drafter, but a draft indicates that it was drafted by Robertson. (*Ibid.*, ROC Files: Lot 71 D 517, Offshore Islands, 1956) The conversation took place during a luncheon.

not desert Chiang Kai-shek. He said that the Nationalist Government considered the islands to be of great importance. He explained Chiang's position that to lose the islands under attack after a stiff fight was one thing but to abandon them without a fight would cause great consternation and deterioration in morale not only in Taiwan but also among the millions of overseas Chinese scattered through Southeast Asia. Mr. Eden asked what the United States would do if the Communists attacked the offshore islands. He emphasized the British view that Formosa was one question and the offshore islands quite another. The President said he understood the British position. He did not say what he would do.

Secretary Dulles reviewed Communist preparations on the mainland opposite Taiwan citing particularly the building of ten new airfields which would accommodate jet planes and the military railroad now under construction between Yingtan and the port of Amoy which was expected to be completed by the end of the year.²

² The conversation was also recorded in a memorandum by Goodpaster, attached to the source text, which bears handwritten interpolations in Merchant's handwriting and in an unidentified handwriting. A notation in Merchant's handwriting states, "This is more complete than MC-4. LTM" Goodpaster's memorandum records the discussion of the offshore islands as follows:

"Sir Anthony then took up the situation with regard to the off-shore islands, and said he was worried about this problem. The President said he had given a great deal of personal thought and attention to this whole problem and the situation was simply that if we tried to press Chiang too hard to give up the islands, Formosa might be lost and the whole position in the Far East might crumble. He had tried to have Chiang persuaded that it is a military mistake to place such strength and stake his prestige on the off-shore islands in this manner, but that the effort had not been successful. In his opinion, they should be considered as an outpost, but Chiang had said that abandonment of the islands would result in loss of face and of any hold over Chinese not only on Formosa but also in Malaya and elsewhere in the Far East. Secretary Dulles said that while the situation with regard to these islands flares up occasionally, he is inclined to think that large-scale attack in the near future is unlikely, and said that he understands this to be the opinion of top U.S. Military people. While airfields have been built opposite Formosa, they have not been equipped or provisioned for operations, and that there has been no build-up or massing of the forces which might be used for assault. There is, of course, the danger of interdiction of the islands with artillery, preventing their support and supply. Sir Anthony said that the question which was uppermost in their minds is, if Chiang has built up the islands with a large part of his forces, and is attacked, what then happens with regard to U.S. action in the area? He also enquired if the islands were attacked and fell would not the effect on morale in Formosa be disastrous? The President said that Chiang Kai-shek apparently believed to lose after a hard fight would be less damaging than a voluntary withdrawal."

The last two sentences were a handwritten addition by Merchant; the words "not only on Formosa but also" were added in an unidentified handwriting.

144. Memorandum of a Conversation, Department of State,
Washington, February 1, 1956 ¹

SUBJECT

Reaction of Chinese Government to Johnson-Wang Talks at Geneva

PARTICIPANTS

V. K. Wellington Koo, Chinese Ambassador
Walter S. Robertson, Assistant Secretary, FE
Walter P. McConaughy, Director, CA

Ambassador Koo, who returned on January 30 from consultations in Taipei, remarked that he had had five or six conferences with the Generalissimo and other key members of the Government during the six days he was in Taipei. The conferences had included, besides the Generalissimo, Vice President Chen Cheng, Foreign Minister George Yeh, Premier O. K. Yui, and Secretary General Chang Chun.

Ambassador Koo said the current misgivings of his Government as to the continuation of the Ambassadorial talks at Geneva were fully summarized in the Chinese Aide-Mémoire of January 25. ² The Generalissimo had made statements to him which confirmed the Generalissimo's personal association with these misgivings. The Generalissimo was unhappy with the situation and very much concerned. The Generalissimo had charged the Ambassador with the mission of conveying his apprehensions frankly to the Department. The current conversations with the British in Washington were an additional source of uneasiness.

The Ambassador said that, regardless of what was actually going on at Geneva, the very fact of the continuation of the talks gave rise to misunderstandings. This was a bad situation. It seemed in the Far East that the U.S. did not object to the sort of de facto recognition of the Chinese Communist regime apparently implied in the protracted talks. The proposals of the two sides as to renunciation of force as revealed in the press releases from Peiping and Washington were disquieting to the Chinese Government. The United States draft seemed to place the two parties on an equal footing. A mutual declaration or exchange of pledges, bilateral in character, was sought by the United States Government with the Chinese Communists. The Ambassador said he knew that the United States wanted to commit the other side to peaceful methods, but the proposed form of the commitment gave

¹ Source: Department of State, Central Files, 211.9311/2-156. Secret. Drafted by McConaughy. Initialed by Robertson, indicating his approval. A separate memorandum of the same conversation by McConaughy, on the subject "Eden Talks", is not printed. (*Ibid.*, Conference Files: Lot 62 D 181, CF 648B)

² See Document 138.

rise to uneasiness in Taipei. The Ambassador thought it was not realistic for us to put an emphasis on "peaceful settlement" when we knew that the Communists would not respect any peace pledge unless it suited their purposes. He recalled that the United States Government was pledged not to discuss anything at Geneva concerning the claims, rights or essential interests of the Government of the Republic of China in its absence. His Government considered that the official Chinese Communist and United States statements on the talks of January 18 and January 21 showed that matters which involved the claims, rights and essential interests of the GRC had in fact been discussed. His Government took the view that the United States Government apparently did not care what claims the Communists put forward, or how they prosecuted those claims, so long as the Communists did not resort to war. It seemed that the United States Government did not even object to the Chinese Communist claim to Taiwan, if it were peacefully pursued. He said the Chinese Government thought it discerned "some sort of a lurking intention to pursue the theory of two Chinas". This the Chinese Government must always oppose. The Generalissimo actually feared that the United States might be veering around toward a one China—a Red China—concept.

The Generalissimo said that his people—especially the two million from the Mainland now in Taiwan—still lived for the day when they could go back to the Mainland. Many of the overseas Chinese regarded the Mainland with the same sort of longing. This attitude was also found among the great majority of the Chinese Armed Forces, although he conceded that the native Taiwanese now being recruited into the Army in growing numbers did not particularly have this feeling. When the Chinese who have ties to the Mainland read of statements by United States leaders which throw cold water on the possibility of a free Mainland being reestablished, their hopes become more remote and it is harder to keep alive their will to resistance. The people of Free China are "on the front line" and it is important to nourish their fundamental hopes. As the Chinese Government has informed Ambassador Rankin, a very high degree of sensitivity exists in Taiwan to external developments affecting the prospects of Free China. Maybe their growing apprehensions are not well founded, but it is important for the United States representatives to know that these apprehensions exist. He wanted to convey with frankness precisely how the responsible officials of the Chinese Government feel on this issue.

The Ambassador declared that President Chiang was very upset by the omission of any reference to the Government of the Republic of China in the Department's official statement of January 21. It was almost as if the United States did not wish to take public cognizance

of the existence of the Chinese Government. The Ambassador said that he thought he knew the reason—desire in principle to avoid provocative matters which might jeopardize the talks. But the Chinese Government was bound to notice the omission, especially when the United States Government took pains to call the Chinese Communists the "Peoples Republic of China". The Ambassador said he had tried to explain this to President Chiang, but it was difficult to explain.

The Ambassador said that the Generalissimo looked to the United States as China's most trusted friend and ally. He was deeply grateful for the large measure of material support extended by the United States. But he hoped also for moral support. From the psychological standpoint the recent developments participated in by the United States had constituted the worst possible blow to the Chinese Government. The more the Chinese Government read and studied the official statements and proposals related to the Geneva talks, the less hope they saw in the situation.

Ambassador Koo said that the Chinese Communists are very quick to exploit any opening given them by the United States. Immediately after the recent exchange of public statements on the Geneva talks, the Chinese Communists had stepped up their psychological campaign to induce defections on Taiwan. They had called on the Chinese in Taiwan to transfer their allegiance to the Communists. The Communists had held out a guarantee of safety to all Chinese on Taiwan who defected to the Communists. They had invited them to come to the Mainland to see their relatives and had assured them of freedom of travel. They had offered positions to Chinese intellectuals on Taiwan. The Chinese Government was doing what it could to counter these pressures and inducements, but the task was not easy.

Mr. Roberston observed that of course the Communists would try to obtain defections, regardless of the talks at Geneva. Naturally they would prefer to obtain their objectives by subversion if they could without having to fight.

Ambassador Koo said that the Communists were certainly stepping up their subversive attempts and their prospects seemed to be improving. He thought that from a logical standpoint we might have pushed the Communists into a corner at Geneva, but the Communists had from a psychological standpoint come out pretty well in the public exchange of statements.

Mr. Robertson said that the Ambassador's remarks indicated the Chinese Government had misunderstood by 180 degrees the position the United States Government was taking in the conversations at Geneva. The United States thinks it has maintained a good position in Geneva. The declaration renouncing force which we are still seek-

ing from the Chinese Communists is no more or less than what the 60 members of the UN subscribe to. We are not seeking anything of the Chinese Communists at Geneva which goes beyond that.

The United States Government has not asked the Chinese Government to give up anything. We think the talks may actually serve the interests of the Chinese Government by reducing the likelihood of an attack on the off-shore islands. We want to save the off-shore islands for the Chinese Government if we can. So far the Chinese Communists have refused to agree to a renunciation of force in the Taiwan area. This refusal certainly does not improve the international standing of the Chinese Communists, or undermine the position of the GRC.

Ambassador Koo said that his Government was unhappy with the *form* of the renunciation of force declaration proposed by the United States.

Mr. Robertson said that the conversations at Geneva had nothing to do with recognition—*de facto* or otherwise. If the Generalissimo understood how firmly the United States Government supports the position of the Chinese Government, his attitude would be different. If the Generalissimo could have heard the President speak on this subject to Prime Minister Eden, the Generalissimo would have been delighted. The President branded the Chinese Communists as aggressors and oppressors who are a threat to the peace of the world. The President said he was not prepared to see them shoot their way into the UN. He had informed Eden that the great majority of the American people and Congress were strongly opposed to any such proposal.

Mr. Robertson said it seemed the Chinese Government representatives did not want to accept the very explicit assurances they have repeatedly received from United States representatives. He did not know what more could be done to reassure the Chinese Government.

Ambassador Koo said his Government was unable to see why it was necessary for the United States Government to try to join in an agreement with the Chinese Communists.

Mr. Robertson said it was not a joint agreement, but separate declarations or announcements that were proposed. Furthermore the United States insisted that any declaration specifically include the general area of Taiwan. The Communists want to exclude Taiwan. The United States insistence that any renunciation of force must include the Taiwan area is in the best interests of the Chinese Government and the free world.

Ambassador Koo said, "Suppose the Communists accept your no force proposal. Would the United States then consider the Chinese Communists as peace loving?" If the United States insistently presses

for a declaration from the Chinese Communists some significance presumably would have to be attached to Communist compliance with the United States request. The United States would have to accept the consequences of the agreement. There would be more pressure from other nations for UN membership for Communist China and the pressure would be harder to resist.

Mr. Robertson said there could hardly be more pressure along this line from certain other nations than we are already encountering. We have resisted these pressures and will continue to do so.

Ambassador Koo asked what the United States would do next if the Communists agreed to the United States proposal? There would have to be something in return and the Communists would press hard for concessions.

Mr. Robertson said the Chinese Communists still had 350,000 troops in North Korea. Their aggression was not terminated. The Ambassador said this was a good point. He said Indo-China might also be mentioned in this connection.

Ambassador Koo said his people thought British Far Eastern policy was making a lot of trouble for the United States as well as for Free China. The British appeared to be pushing in the opposite direction from the United States in the Far East. The Generalissimo thought the British were pursuing a very unrealistic policy. He thought their policy toward Communist China had two motivations: (1) to salvage the large British investment in Mainland China; (2) to recover the lost China trade. The Generalissimo had observed that obviously neither objective was obtainable so long as a Soviet-affiliated Communist regime remained in power in China, and the British should not deceive themselves.

Ambassador Koo recalled that the British have now had diplomatic relations with the Chinese Communists for six years. During that time the British have lost all their large economic stakes in China. The Communists always treat trade as a political instrument. It should be apparent to the British that they cannot salvage their China investments or their China trade unless the National Government is reestablished on the Mainland. The Ambassador thought that some British businessmen are beginning to realize this, but not the British Government. It might be possible for the Generalissimo to give a pledge or some sort of assurance to the British Government that British commercial interests would be restored when the Chinese Government regained control of the Mainland, although such an assurance might seem academic at this time. He did not know whether the United States Government had ever thought along this line. If the United States Government should convey some intimation to the foregoing effect to the British Government it might start the British officials to thinking.

Mr. Robertson said we had conveyed our views on China policy to the British many times. He feared that British thinking had not been influenced thereby and would not be influenced now. He thought the British Government had been pressured by the large British business interests in China to recognize the Communists in 1950. British business had hoped to save its China stake of a billion dollars thereby. But British recognition had only helped the Chinese Communists. The British say they want to promote free and independent Governments throughout the Far East. But their Far Eastern policies have had the opposite effect. He feared that the China policy of the UK had been extremely stupid.

Returning to the misgivings expressed by Ambassador Koo, Mr. Robertson said he would again state that the United States Government does not intend to recognize in any way the Communist regime in Peiping. Nor would the United States agree to the admission of Communist China to the UN. United States sentiment was overwhelmingly opposed both to recognition and UN membership. This was the situation, whether the Generalissimo and Foreign Minister Yeh believed it or not.

Mr. Robertson said at the same time he wished to put the Chinese Government on notice that we do not intend to break off the Geneva talks. The United States wants to get the American prisoners out of Red China and it wants to obtain a renunciation of force declaration from the Chinese Communists. The United States will continue to pursue these objectives, even if its efforts are misunderstood.

Mr. Robertson referred to recent statements by the Generalissimo about return to the Mainland. He did not understand what the Generalissimo hoped to accomplish by such statements. Mr. Robertson recalled that the Secretary had expressed doubts about the wisdom of these repeated threats to regain the Mainland by force, which could not be carried out. The Generalissimo had a larger mission, as the head of Free China, than that of making promises and threats which he could not implement. He should keep in a position to capitalize on any major turn of events on the Mainland. But he must know that he cannot hope to recapture the Mainland with his relatively small army alone. And he also knows that the United States will not join in an offensive war—against the China Mainland or any other place. The United States Congress certainly would not sanction a war to overthrow the Communist regime and put the GRC back on the Mainland. We would not be drawn into an offensive conflict in Korea or Vietnam either. The United States was not going to war, except defensively. We have only defensive treaties. This fact should be realistically accepted. The Generalissimo was a brilliant military strategist and he must realize that he can not do the job alone. At the same time a lot of things might happen. If the Chinese

Communists should attack in Korea or Indochina it might be a good thing for the GRC forces to strike on the flank. If so, the GRC forces would receive assistance. If there should be an internal collapse of the Communist regime, or if the Communists should engage in military adventures somewhere else, the Chinese Government should be in a position to capitalize on the event. Preparedness for any such development was reasonable, but the Generalissimo's invasion statements were hard to understand. It alienated support here and created anxiety generally. It tended to make the Chinese Government seem irresponsible and to weaken its international position. The GRC lost some standing every time such statements were made. As an admirer and supporter of President Chiang, Mr. Robertson said he could not help but be distressed by such statements. Just as President Rhee in Korea could not go north on his own, the Generalissimo could not cross the Taiwan Strait alone.

Ambassador Koo said that the Generalissimo fully understood all this. Although the Generalissimo had not stressed his desire for peace, this love of peace was very real with him. But he wanted a real, honorable and lasting peace. The Generalissimo felt he must do everything possible to preserve the legitimate aspirations of his people and to keep up morale.

Mr. Robertson remarked that it should always be remembered that the American people cannot and will not let President Chiang or President Rhee declare war for them. Only the United States Congress could do this.

Ambassador Koo said this was very clear to all concerned. President Chiang would certainly respect the undertaking he had made not to engage in offensive warfare without the concurrence of the United States.

Mr. Robertson said he was fully convinced of that. He knew that President Chiang was a man of integrity and honor, but the Mainland invasion statements which had been issued lately were difficult to rationalize.

Ambassador Koo said it was merely an effort to counteract Communist propaganda designed to undermine morale on Taiwan. The Generalissimo felt he had to keep hope alive.

Mr. Robertson wondered whether it was wise to mislead. The creation of illusory hopes could be counterproductive. It would seem preferable for the Generalissimo to counsel patience. The references to recapturing the mainland lost force if exposed as bluff. If the Communists violated the truce, it would be a different situation.

Ambassador Koo said that when a pall of gloom descended, it was necessary to do something to dispel it.

Mr. Robertson said that the Generalissimo must know that his army of say 400,000 could not alone buck a Communist army of 3.5

or 4 million. It seemed bad psychologically to imply that it could be done. But it was not for him to judge the Generalissimo's speeches.

Ambassador Koo said there is a constant need to reaffirm that hope still exists.

Mr. Robertson said that nothing had been done at Geneva which would extinguish any hopes.

145. Telegram From Ambassador U. Alexis Johnson to the Department of State ¹

Geneva, February 4, 1956—7 p.m.

1454. Comments on today's meeting:

1. From full record of meeting ² Department will note I went long way, particularly in latter portions give and take, to sharpen and clarify issue on self-defense clause in renunciation force draft. I am sure there can now be no possibility of their misunderstanding our position. I did not feel I could go any further without danger of erroneously implying willingness eventually negotiate away our position with respect Taiwan. However, would appreciate any specific comments or suggestions Department may have with respect my statements this regard at today's meeting, or what it feels I could usefully stress or minimize at next meeting.

2. There was no slightest indication at today's meeting any willingness their part reformulate self-defense clause, although he gave impression he might be expected to offer reformulation. Of course, I gave no indication intent offer any such reformulation. Thus situation with respect next meeting is very tight.

3. Their performance at today's meeting with respect implementation was probably for purpose attempting demonstrate strength their public position to denounce September 10 agreed announcement in event talks broken off and thereby use 13 remaining Ameri-

¹ Source: Department of State, Central Files, 611.93/2-456. Secret; Priority; Limit Distribution.

² Johnson transmitted his detailed report of the meeting in telegram 1455 from Geneva, February 4. (*Ibid.*) He transmitted a brief summary report in telegram 1453 from Geneva, February 4, which reads in part as follows:

"Five-hour meeting this morning, three hours of which on renunciation, two hours on implementation. No perceptible progress on renunciation and attempt in [on] implementation lay groundwork for renunciation September 10 agreement on basis US failure implement. . . .

"With respect renunciation, threat break off meetings unless we withdraw self-defense clause clearly made coupled with demand Foreign Ministers meeting." (*Ibid.*)

cans as additional pressure on US. I tried expose weakness their position with respect Chinese in my replies today and at next meeting building on basis I laid today can well more clearly expose foregoing tactic. Would appreciate Department's suggestions as to any further replies I might make with respect his demand for list imprisoned Chinese, and whether there is any concrete basis for his charges concerning Chinese being required present passports to him [INS]. His statements with regard Liu Yung-Ming were so absurd and designed as desperate attempt build propaganda case explain his failure return,³ I considered useless attempt reply in further detail and indicated ridicule by ironically smiling when he made statements.

4. As far as overall situation is concerned Department will appreciate that it may be very difficult for me to keep talks going much if any beyond next meeting unless ChiComs for own purposes desire to have talks continued for their own sake, or their present tactics are bluff. There can be no sure answer except that which will be given by the course of events.

5. Would also appreciate instructions as to whether in event of break if situation permits Department desires me take any initiative toward or agree to maintenance any continuing contact between Wang and myself through Consulate here.

[Johnson]

³ Telegram 1568 to Geneva, February 1, informed Johnson that Liu had stated upon reaching Hong Kong that he did not wish to return to the mainland and that he was being cared for by Hong Kong authorities. (*Ibid.*, 611.93/2-156)

146. Telegram From the Secretary of State to Ambassador U. Alexis Johnson, at Geneva¹

Washington, February 7, 1956—7:52 p.m.

1591. Guidance for February 9 meeting.

1. Refer to return of Liu Yung-ming to mainland (Hong Kong's 114).² Point out no restriction was imposed his return to Communist

¹ Source: Department of State, Central Files, 611.93/2-756. Secret; Priority; Limit Distribution. Drafted by Phleger; cleared by Secretary Dulles, Robertson, and Sebald; approved for transmission by McConaughy, who initialed for Dulles, Phleger, and Robertson.

² Telegram 114 from Hong Kong to Geneva, sent to the Department as telegram 1553, February 7, reported that Liu Yung-ming crossed the border the previous day with his wife, child, brother, and a Chinese Red Cross representative. (*Ibid.*, 211.9311/2-756)

China and clear US carried out Agreed Announcement. Use information contained Hong Kong's 112 to Geneva ³ showing 35 Chinese arrived Hong Kong January 31 en route Communist China. Mention cumulative figure of 189 in this category since Jan. 1955.

2. Continue stress failure implement Agreed Announcement. Regarding our own implementation reiterate there are no restrictions on departure of any Chinese; full circulation and publicity of announcement has been made, and no report from Indian Embassy of any Chinese in US appealing to it that they prevented from leaving. Regarding prisoners, would not discuss them specifically.

3. With respect to renunciation of force continue along lines of your last presentation and also of our last public announcement. Point out that Communist argument really adds up to demand that US concede to Communists all points in dispute instead of leaving them subject for discussion after renunciation of force has been agreed to. Particularly point out that Communists continue to insist that US concede that Taiwan and off-shore islands are Communist territory when fact is that US position is that they have never been Communist territory and particularly that Taiwan ceded to Japan by China was captured from Japan by forces under US orders and now lawfully administered and held by sovereign GRC. ⁴

4. FYI It seems evident from Wang statement that Communists are not willing to agree to an announcement that would reserve right of US self-defense in area. Whether Communists will break off talks because they now realize that US will not concede to their position, cannot be predicted but if they are determined to break on this point we cannot make concession of US rights to prevent break. However you are under no circumstances to break off talks but continue to argue our position with firmness.

5. If break by Communists comes you should give out statement at once that Communists have broken off talks because they cannot have their way in insisting US give up right of self-defense against armed attack in area. State we hold Communists to Agreed Announcement on prisoners and hope they will be promptly released. Remark to Wang and publicly state that further communications between Communists and US can be transmitted through Consulates in Geneva. Any further statement will come from Washington.

Dulles

³ Sent to the Department as telegram 1512 from Hong Kong, February 1. (*Ibid.*, 611.93/2-156)

⁴ In response to a query from Johnson, telegram 1592 to Geneva, February 8, instructed him to amend the last portion of this sentence to read as follows: "And particularly that Taiwan ceded to Japan by China was surrendered by Japan in 1945 under SCAP orders and now lawfully administered and held by sovereign GRC". (*Ibid.*, 611.93/2-856)

147. Editorial Note

At a meeting of the National Security Council on February 9, during discussion of Korea, there were several comments and exchanges relating to China:

"The President replied [to a question concerning the cost of continuing cost of support for South Korea] that the crux of the problem was Communist China. After referring to the problem of having had to fight an 'unwinnable' war in Korea, he added that to retreat from Korea now would cost the United States its entire position in the Far East. He desperately wished, nonetheless, that there were some way for the United States to extricate itself from this swamp of spending. If Red China, speculated the President, should finally get out of North Korea, release our prisoners, and act decently, how in the world could the United States continue to avoid recognizing Communist China? It was a real problem, and the President repeated his belief that all our Far Eastern problems focussed up in Korea."

After comments by Secretary Dulles concerning Korea,

"Secretary Humphrey said that he was somewhat reluctant to raise so explosive a matter, but it was part of the same general problem. Now that we are under less terrific pressure from Communist China, was any thought being given to the problem of what we will do about Quemoy and the Matsus?"

"Secretary Dulles indicated that Secretary Humphrey was quite mistaken in his assumption that we were under less pressure at the moment from Communist China with respect to the offshore islands and Taiwan. In point of fact, the pressure was so severe that the talks which were going on in Geneva at the Ambassadorial level might well be broken off this very day. The Chinese Communists were insisting on their right to take Taiwan, and proposed to take it by force if necessary. We have tried desperately to get them to change this position, but we had failed. Accordingly, this was far from a quiescent period with respect to the problem."

The memorandum records further discussion concerning Korea and continues:

"Dr. Flemming said he wished to put a question to the Secretary of State. If the negotiations at Geneva with the Chinese Communists were in fact broken off, was it likely that the Chinese Communists would move promptly against Quemoy and the Matsus?"

"Secretary Dulles replied that available intelligence indicated no immediate likelihood of such a Chinese Communist move. Nevertheless, the Chinese Communists were continuing to develop their capabilities for such an operation, and Secretary Dulles believed that they could amass sufficient forces in a matter of a couple of weeks to seize these offshore islands if they decided to do so. He did not think, however, that they would resort to force in the near future, even if the negotiations were broken off. It was more likely that they would continue to go on as they have been, although with more threatening noises.

"The President observed that in a couple of private conversations with Sir Anthony Eden during the latter's recent visit, the Prime Minister had said in effect that he lived in terror that a situation might arise in which the United States found itself obliged to go to war and that he, Eden, would be unable to come to the support of the United States because of British public opinion. The President wondered whether these remarks were a backhanded reference to Quemoy and the Matsus.

"Secretary Dulles thought that the President's surmise was quite likely to have been correct. He pointed out, however, that in their propaganda the Chinese Communists persistently and carefully avoided any suggestion of taking Quemoy and the Matsus except within the total picture of their determination to take Taiwan by force if necessary.

"Secretary Humphrey said that he nevertheless believed it likely that if the Chinese Communists finally decided to try to seize Taiwan, they were quite likely to move against Quemoy and the Matsus first. If they stopped there for a while they would certainly put the United States on the spot.

"Governor Stassen wondered whether the Chinese Communists might not seek a meeting between Secretary Dulles and Chou En-lai during the course of the Secretary's forthcoming visit to the Far East." (Memorandum of discussion by Gleason, February 10; Eisenhower Library, Whitman File, NSC Records)

148. Telegram From Ambassador U. Alexis Johnson to the Department of State ¹

Geneva, February 9, 1956—4 p.m.

1474. 1. Four hour fifty minute meeting this morning. No progress whatsoever. Only unusual development Wang took twenty minute recess immediately following my opening statement.² Although I received impression this was for purpose conferring on whether my opening statement fitted in with some contingent action they had planned, subsequent developments in meeting gave no indication as to what it might have been.

2. My general impression is that while no sign whatever any shift their position, threat of break on renunciation force has somewhat receded.

3. He was prepared omit any discussion implementation today but in response my initiative again took strong line on Liu Yung-

¹ Source: Department of State, Central Files, 611.93/2-956. Confidential; Niact.

² Johnson transmitted the text of the statement, which concerned renunciation of force, in his detailed report of the meeting in telegram 1479 from Geneva, February 9. (*Ibid.*)

ming, Taiwan entry permits, lists of Chinese US prisons, alleged US attempt force application for permanent residence, etc.

4. Because of spring festival he asked for next meeting Feb. 20 and when I hesitated, suggested Feb. 18 which I accepted.

5. Departing for Prague tomorrow morning.

[Johnson]

149. Telegram From the Acting Secretary of State to the Embassy in the Republic of China ¹

Washington, February 13, 1956—6:28 p.m.

481. Your 681. ² Following Aide-Mémoire ³ in reply Chinese Aide-Mémoire quoted reftel handed to Chinese Chargé today. While official delivery made here you may wish inform Foreign Minister substance text immediately insure maximum effect obtained from these reassurances.

"The Department of State believes that the misgivings expressed in the Aide-Mémoire delivered to the American Embassy at Taipei on January 25 regarding the Geneva talks with the Chinese Communists are unfounded.

As the Ministry of Foreign Affairs is aware from the full information it has received from representatives of the Department on the course of the Geneva talks, the first United States objective in entering into the conversations was to obtain the release of maltreated American nationals unjustly detained by the Chinese Communists, and some progress has been made on this item. Although Chinese Communist implementatoin of the Agreed Announcement of September 10 on the return of civilians in unsatisfactory, sixteen out of the twenty-nine Americans who were in jail or under house arrest when the talks started have been released. Ambassador Johnson is continuing to press for fulfillment of the Chinese Communists' commitment to release the remaining thirteen.

The second United States objective was to obtain from the Chinese Communists a public renunciation of force, with particular reference to the Taiwan area. The Chinese Communists have given no indication thus far that they are willing to make such a declaration in any acceptable form. They apparently are willing to give lip service in a vague general way to the renunciation of force principle, but they refuse to apply it to the area of Taiwan. The United States representative pointed out that a renunciation of force declaration by

¹ Source: Department of State, Central Files, 611.93/1-2656. Secret. Drafted and approved in CA.

² Document 138.

³ Dated February 13; cleared in draft by Secretary Dulles and Phleger. (Department of State, Central Files, 611.93/2-1356)

them which did not include the area of Taiwan would have little meaning under existing circumstances.

The Department is unable to share the view that United States efforts to obtain a renunciation of force declaration from the Chinese Communists, and the expressed willingness of the United States to reaffirm its position on the renunciation of the use of force, would in any way prejudice the interests of the Chinese Government. A public renunciation of force declaration by the Chinese Communists, while it would not be self-enforcing and certainly might be violated by the Chinese Communists, would make renewed aggression in defiance of their commitment more hazardous for them. It would make their position following a new act of aggression even more indefensible than it otherwise would be. In the judgment of the United States it would greatly improve the prospects for obtaining additional international sanctions against the Chinese Communists in the event of a further breach of the peace by them.

If on the other hand the Chinese Communists refuse to make an unqualified renunciation of force declaration, they are also in a very vulnerable position before the world. Their unwillingness to eschew force to achieve their expansionist designs and their willingness to jeopardize international peace and security will be fully exposed. Such action could not be reconciled with their peaceful protestations.

Thus it seems to the Department that the interests of freedom cannot lose by a requirement that the Chinese Communists stand up and be counted on this issue. Either they make a commitment which at least will hamper them, or their aggressive intent is revealed for all the world to see.

The Department has made it clear that the conversations at Geneva do not imply any form or degree of diplomatic recognition of the Chinese Communist regime by the United States. The Ministry will recall that talks with the Chinese Communists were previously held at Panmunjom and at Geneva without any implication of recognition. There is no reason why the current Geneva talks should carry any implication which was not present in the earlier talks.

The United States is always ready to reaffirm its own dedication to the principle of the renunciation of the use of force. With the qualification that the right of individual and collective self-defense is unimpaired, the United States is prepared to reaffirm the application of this principle to any and all areas of the world. No reason is apparent why its application to the Taiwan area should carry any undesirable connotation.

The Geneva conversations of course have no bearing on the United States position on Chinese representation in the United Nations. The United States remains firmly opposed to the admission of Communist China to the United Nations. The United States remains fully committed to the support, in the United Nations and elsewhere, of the Government of the Republic of China as the only legitimate Chinese Government.

The Secretary of State is scheduled to visit Taipei on March 16 and 17. He welcomes the prospect of a full exchange of views with President Chiang and other representatives of the Chinese Government. He anticipates that advantage can be taken of this opportunity

to go more fully into all aspects of the matters raised in the Aide-Mémoire of January 25."

Robertson informed Chargé that points raised Yeh letter November 17 have been answered in numerous conversations with Ambassador Koo which deemed to suffice. Aide-Mémoire observations also have been fully answered orally. We consider informal oral exchange on such matters preferable where cordial basis of understanding exists, as with Chinese Government. However, Chinese Aide-Mémoire is being answered same form in view apparent Chinese desire for written reply.

Hoover

**150. Telegram From the Acting Secretary of State to
Ambassador U. Alexis Johnson, at Geneva ¹**

Washington, February 13, 1956—7:10 p.m.

1619. Guidance for February 18 meeting.

1. Refer to your statement at October 27 meeting, ² repeating reasons US believes Communists have information concerning 450 missing servicemen. Wang stated at November 3 meeting he did not consider this proper subject for discussion at Geneva. He said such information should be sought from MAC in Korea. US accepted this suggestion in good faith and presented list again at Panmunjom on November 26. Communist representative declared that individuals held outside Korea do not come under authority of MAC and therefore irrelevant to discuss them in MAC. Also declared MAC has no connection with POW's disposed of by PRC. Communist representative accepted list but to date has provided no information. US is entitled to reply either from MAC or from Wang, for this is one of practical matters at issue which Ambassadorial talks were convened to consider.

2. Inform Wang that in reviewing record of past several meetings, we still do not understand Chinese Communist position on renunciation of force. They agree neither side should go to war over its differences with other. But it appears that if hostilities should break out, Chinese Communists would expect deprive US of natural right

¹ Source: Department of State, Central Files, 611.93/2-1356. Secret; Priority; Limited Distribution. Drafted by Phleger and McConaughy; cleared in draft by Secretary Dulles; cleared by Sebald; and approved by Robertson.

² See Document 85.

of self-defense. Would not Chinese Communists exercise their right of self-defense if US should go to war in violation its commitment? Then how can Chinese Communists seek deny US identical right? Would not Chinese Communists consider that their forces stationed outside their borders had right to defend themselves if attacked?

3. Point out that Wang does not seem to understand US draft does not require either party to give up its position with respect to merits of its claims. Any draft declaration must be couched in such terms as not to discredit or prejudice claims of other side. Therefore Wang's tirade at last meeting about alleged US occupation of Taiwan and lack of any US right defend itself individually or collectively in Taiwan area has no relevance to proper substance Agreed Announcement about renunciation of force. Wang's tirade deals with merits of respective positions. It is premature to take up this issue of merits of respective positions before Agreed Announcement on renunciation force is issued. A discussion of merits of issues can only come after renunciation force by both sides.

4. FYI Our present draft is product of long and careful consideration and we are not disposed to alter it. If, however, Wang proposes amend renunciation force draft along lines suggested your 1476,³ state only that you will receive his proposed amendment, give it careful and serious study, and state US view of it later. Make certain Wang submits his formulation in precise and specific terms indicating where in draft his revised language would appear, so we will have complete text in form Communists would be willing sign. End FYI.⁴

³ Johnson stated in this telegram, February 9, that he thought there was a possibility that Wang might agree to "some formula stating US-PRC disputes to be settled 'only' by peaceful means and preserving right of 'self-defense' between U.S. and PRC if declaration broken, including Taiwan area". He requested instructions on the attitude he should take if Wang should offer any amendment along these lines or degree to which he should direct discussion in that direction. (Department of State, Central Files, 611.93/2-956)

⁴ McConaughy commented in letter No. 30 to Johnson, February 13, as follows: "We believe that you have Wang on a pretty weak wicket now. He is close to being on the prongs of a dilemma if we hold steady. His choices are (1) to accept our formulation; (2) to continue the talks indefinitely with all the inhibitions which that places on aggressive action by them; or (3) assume the responsibility for breaking off the talks, which would be a considerable onus and one which they presumably are reluctant to assume. The danger which the Secretary feels that we must avoid is the appearance of extreme inflexibility. If we appeared to adopt an absolutely rigid stance, the Communists after a break off might be able to transfer a good part of the onus to us arguing that our unyielding attitude on phraseology was deliberately designed to provoke a break. We want to avoid giving any plausibility to this sort of allegation. I would characterize the Secretary's attitude toward the stance you should take as "firmness without rigidity". He does not feel that it is necessary or desirable for you to propose any amendment or transposition in our proposal, but you do not close the door to serious consideration of any amendments proposed by Wang which do not do violence to the basic principles on which we stand.

5. Again protest vigorously continued Chinese Communist failure to live up to their obligations under Agreed Announcement. If Chinese Communists should release any of imprisoned Americans on occasion of Chinese New Year moderation of tone might be desirable.

6. Inform Wang that Immigration Service has now received replies from all its field offices and none is able to identify Yuan Jui-hsiang. Request additional information from Wang to assist further investigation, including date and place Yuan allegedly taken into custody by Immigration and alternate spellings Yuan's name.

Hoover

"You will be interested in a view which was expressed in the Saturday meeting [with the Secretary] and which did not encounter any challenge. This was to the effect that a renunciation of force declaration by the Chinese Communists which specifically included the general area of Taiwan would tend to compound the seriousness of the implication of any subsequent attack by them on Kinmen or Matsu." (*Ibid.*, Geneva Talks Files: Lot 72 D 415, Geneva—Correspondence Re US-PRC, 1955-1956)

Johnson replied in letter No. 22 to McConaughy, February 19, that he was "a little puzzled" by this remark and commented "I have always assumed that when we said 'Taiwan area' we were including the offshore islands and I believe that Wang thinks we do. It never occurred to me that we thought otherwise, and I do not believe I have ever given Wang any grounds for any other interpretation." (*Ibid.*)

151. Telegram From Ambassador U. Alexis Johnson to the Department of State ¹

Geneva, February 18, 1956—3 p.m.

1509. 1. Three hour forty five minute meeting today. ² No progress whatever.

¹ Source: Department of State, Central Files, 611.93/2-1856. Confidential; Niact; Limit Distribution.

² Johnson commented in telegram 1512 from Geneva, February 18, that the atmosphere was "even easier than last meeting" but that there was no sign of change in the Chinese attitude toward the self-defense clause. He also commented that Wang sensed "he may have struck soft spot with regard imprisoned Chinese and is pressing it to maximum" and that Wang's response concerning missing military personnel was as expected. (*Ibid.*) In letter No. 23 to McConaughy, February 22, Johnson called the latter's attention to "the 'question' Wang asked me at the last meeting (paragraph 11 mytel 1513). This is the best and frankest thumbnail summary of their position that he has given to date." (*Ibid.*, Geneva Talks Files: Lot 72 D 415, Geneva—Correspondence Re US-PRC, 1955-1956) Johnson's telegram 1513 from Geneva, February 18 transmitted his detailed report of the meeting that day. Paragraph 11 reads as follows:

"Wang said he asked that US make explicit answer as to whether it intent of US, after announcement of declaration, to maintain status quo of its seizure Taiwan and

Continued

2. I developed theme of paragraphs 2, 3, Department's 1619,³ taking increasingly explicit position that proper interpretation self-defense clause is simply that each side is, on own behalf, making clear that declaration is made without prejudice to what it considers its inherent right individual collective self-defense, and does not in any way require other side recognize or accept merits of claims.

3. Wang entirely failed meet my point this regard, confined self to reiterating previous positions, however with intimation of plea we offer reformulation self-defense clause.⁴

4. Wang took initiative on implementation, confining self to and pressing hard on Chinese in United States prisons, their alleged lack information about agreed announcement, et cetera. Alleged we had refused Indian request transmit text announcement to imprisoned Chinese.

5. I replied by reiterating previous position on no Chinese being obstructed in return and contrasted situation 13 Americans.

[Johnson]

intervention China's internal affairs, and its interference in China's liberation Taiwan and coastal islands, meanwhile refusing hold foreign ministers conference."

³ *Supra*.

⁴ The reference is unclear. Near the end of the discussion of renunciation of force, according to Johnson's telegram 1513, Wang commented as follows:

"Wang said with regard January 12 draft of US side, he had made it clear at previous meetings that as regards self defense clause included in that draft, it not question of what sort of words to use to express that idea. He had said that it was substantive question with which we must deal.

"Wang said if I genuinely hoped that we should make further progress in talks, then he would hope I would be able set forth more concrete opinions on basis their December 1 draft at next meeting.

"Wang said if it my intention to insist on this clause regarding self defense in Taiwan area, and keep heckling about this clause in our discussions, he just didn't see how we could make any progress in our discussions."

152. Telegram From Ambassador U. Alexis Johnson to the Department of State¹

Geneva, February 24, 1956—4 p.m.

1547. Four and one half hour meeting this morning.² No progress whatsoever.

¹ Source: Department of State, Central Files, 611.93/2-2456. Confidential; Priority; Limit Distribution.

Renunciation took familiar lines for three and half hours with discussion becoming very diffuse, Wang reiterating usual lines of foreign versus domestic nature dispute Taiwan area. Also tried hard to sound me out 1) on U.S. willingness hold FonMin meeting as "practicable and feasible means" mentioned in declaration and 2) on linked question whether any flexibility our position re status quo Taiwan. Context this line carried implication they concerned our intent is to regard declaration end in itself in maintaining status quo and relieving US any obligation continue seek "relaxation tensions Taiwan area".

I replied along lines our firm intent fully carry out all terms declaration and that under last para draft did not exclude any "means" but at same time entirely unwilling agree FonMin meeting only such means. In any event such discussion was premature and ChiCom attempt establish unacceptable condition precedent to declaration.

[Wang] did not meet my reiterated characterization self-defense clause as unilateral reservation by each right self-defense along lines I took at last meeting. He also refused my repeatedly proffered opportunities deny their intent in demanding withdrawal self-defense clause was motivated by desire represent this as renunciation by U.S. its position with respect Taiwan, sticking to line this required them recognize our position there. Characterized our insistence on self-defense clause as raising question whether U.S. really wanted any declaration. Some suggestion they now unwilling include specific reference to Taiwan.³

² Guidance for the meeting was transmitted to Johnson in telegram 1663 to Geneva, February 21, which instructed him to continue to "affirm established US position both on renunciation force and implementation Agreed Announcement". It stated that no case of an individual claiming obstruction had been brought to U.S. attention by the Indian Embassy or anyone else and that the information given in the one case in which Wang had alleged specific obstruction was so meager that it had not been possible to trace or identify the individual. It noted for Johnson's information that no Chinese alien in prison had applied for repatriation and that the Department did not wish to open up any hypothetical discussion in this regard, lest it prejudice the release of the imprisoned Americans. (*Ibid.*, 611.93/2-2156)

³ Johnson's detailed report of the meeting, transmitted in telegram 1554 from Geneva, February 24, reads in part as follows:

"Wang, turning to prepared statement, said I had repeatedly stated at last meeting that in making declaration it not the intention to dispute or prejudice views of either side nor to abandon either's position in any our disputes. I had again made statement along that line to effect declaration does not require any side to prejudice its position or to give up its views in regard our disputes. At last meeting I had also stated that my side already had accepted December 1 draft his side as basis for discussion with only two small amendments.

"Wang said however the two amendments suggested by me actually contained the entire demands of my side without any modification, which requires his side to abandon its position and which my side had insisted upon all along since beginning talks. As his side has long ago categorically stated, that was what his side absolutely can never accept.

He led off on implementation with brief statement giving me three more names and I replied with long statement along usual lines stressing not single fact or solid evidence showing any Chinese obstructed in departure from U.S. He again pushed prisoner question implying knowledge "more than hundred" Chinese in U.S. prisons. ⁴

"Wang said in first place, my January 12 draft requires his side to recognize U.S. claim to right individual collective self-defense in Taiwan area. I had stated that U.S. is in Taiwan area purely for self-defense and that presence of U.S. forces on Taiwan allegedly was in accordance with collective self-defense arrangements. In other words, intention my side in including self-defense clause in draft was to require his side to recognize validity of continued U.S. seizure Taiwan and to recognize U.S.-Chiang Kai-shek treaty. How can this be explained as other than demand that their side abandon its position on our dispute?

"Wang said secondly, my draft announcement proposed and he would quote 'they will not resort to threat or use force in Taiwan area or elsewhere'. That is attempt to confuse international dispute of China and U.S. with a Chinese internal matter. As his side had long pointed out, it was entirely matter China's internal affair as to whatever means China used to liberate Taiwan, a matter in which U.S. had no right interfere. I had once and again indicated that declaration between us should not involve any third parties, yet very draft announcement put forward my side precisely tried involve internal matter of China and Chiang Kai-shek clique. How can this be explained as other than demanding his side abandon its position?" (*Ibid.*, 611.93/2-2456)

⁴ McConaughy told Johnson in letter No. 32, dated February 24, that the Department had asked the Attorney General to find out how many Chinese aliens were in Federal and State penitentiaries, the nature of their offenses, and the length of their terms. He asked Johnson's reaction to a suggestion by the Secretary that imprisoned Chinese aliens who were deportable under U.S. law and were willing to return to the mainland might be deported. Johnson replied in letter No. 24 to McConaughy, February 28:

"The quid pro quo for the release of the 13 are not Chinese in United States prisons (they have no real interest other than propaganda in them) but the agreed announcement of the Renunciation of Force and the Foreign Ministers' meeting. We would get a few more releases if and when agreement is reached on the agreed announcement, particularly if we made some concession that would permit agreement to be reached. We would then probably get the remainder of the 13 if and when they saw agreement in sight on a Foreign Ministers' meeting. They would probably be willing to make some deal whereby announcement of the completion of the release of the remainder of the 13 would be made prior to the announcement of the Foreign Ministers' meeting."

The letter further commented:

"As you know, I was very doubtful of the wisdom after our September 10 announcement of belaboring the question of implementation the way we did. Not with any intent of recrimination and only for the purpose of attempting to analyze the present situation, I feel that the belaboring of implementation during that period caused them to search frantically for a counter and finally strike on this issue of Chinese prisoners. However, since we have reached the situation, I see little choice but to continue to pursue our same tactics. . . . I think it possible that if I were to let up on the 13 he might well let up on the Chinese in United States prisons, but I do not know whether this would be a good idea at this time. It would only be good in the sense that I have always thought that the more we make an issue of the 13 the harder it becomes for them to release them, the more they become convinced that our only interest in the talks is getting the release of all the Americans, and the more valuable they estimate the 13 may be to them in extracting political concessions from us." (Both *ibid.*, Geneva Talks Files: Lot 72 D 415, Geneva—Correspondence Re US-PRC, 1955-1956)

Next meeting Thursday March 1.

Departing for Prague Saturday morning, returning Tuesday.

[Johnson]

153. Memorandum for the Record by Rear Admiral Truman J. Hedding, Special Assistant to the Chairman of the Joint Chiefs of Staff ¹

Washington, February 24, 1956.

SUBJECT

Discussions with Chinese Nationalist Defense Minister Yu Ta-wei, Friday afternoon, 24 February 1956.

Minister Yu, accompanied by General Ho, called on Admiral Radford at 1600 today. Rear Admiral Hedding was present during the subsequent discussions.

Minister Yu opened the discussions by stating that he was still worried about the U.S. command structure on Taiwan. He hoped that this matter would be straightened out. Admiral Radford replied that the necessary instructions have been issued by Admiral Stump, that Admiral Ingersoll is the over-all U.S. commander on Taiwan, who will coordinate all U.S. military activities and who will tie everything together. Admiral Radford advised Minister Yu that Admiral Ingersoll would be the U.S. point of contact with the Ministry of National Defense. ²

Minister Yu stated that he did not agree with the recommendations of the U.S. military personnel on Taiwan who had recommended against the provision of 8" howitzers for Quemoy, and asked reconsideration of the Chinese request. Admiral Radford replied that he did not feel that he could argue with the recommendations of the U.S. military personnel on Taiwan. He then added that he felt that the Chinese Nationalists should work on the problem of resupply for the offshore islands. He stated he felt that this was of the greatest importance, that they should utilize night air drops and motorized

¹ Source: Naval Historical Center, Radford Papers, Memos for the Record. Top Secret.

² Admiral Ingersoll informed General Peng Meng-chi in a letter of February 28 that as Commander U.S.-Taiwan Defense Command, he was the Senior U.S. Commander on Taiwan and would be the point of contact for exchange of advice on all matters of military policy and operations. Chief, MAAG Taiwan would continue to be directly responsible under CINCPAC for the various military aid programs. (Department of State, Rankin Files: Lot 66 D 84)

junks as a method for resupply. He further stated that he did not agree with the mobile defense concept for Quemoy, and said he felt that the forces on Quemoy should be well dug in in prepared positions.

Minister Yu stated that he agreed with the Admiral's views, that they were in a position [of] war on these offshore islands. He stated that they had an urgent need for the program for "Long Toms" and requested that the delivery of these guns be expedited. He further stated that in a discussion with General Taylor, General Taylor stated that he felt that guns were better than bombs. However, both Minister Yu and Admiral Radford did not agree. They felt that they should use both. Minister Yu then stated that for a while he would hold off bombing the mainland if he could get the proper guns.

Admiral Radford then mentioned that he had noticed that only from Taipei comes the announcement of local artillery exchanges in the offshore islands. Such announcements have not come from the Communists, therefore the Chinats should give consideration to the worldwide aspects of such announcements. Admiral Radford further advised that he had repeatedly told the Generalissimo that he does not think that the Generalissimo has a feeling for worldwide opinion, that he should try to look at the situation from a worldwide point of view rather than from a strictly local view. Admiral Radford therefore suggested that the Chinese Nationalists stop talking about these off-shore island incidents, artillery exchanges, etc. Minister Yu stated that he understood Admiral Radford's thinking in this matter and would discuss it with the Gimo upon his return.

Minister Yu then discussed the matter of replacement training and the problem that the Chinese Nationalists are facing at the end of this year when the currently Japanese type trainees will have to be replaced by some 100,000 reserve trainees. Minister Yu stated that to meet this expanded training problem they would need more than the one set of training equipment, that they needed two more sets, particularly U.S. rifles. Admiral Radford stated that he would like to see the figures on this and Minister Yu replied that he would send such figures from Taipei.

Minister Yu then discussed briefly the status of the Chinese Nationalist Air Force, stating that they now have two F-84's and one F-86 wing now combat ready. He then added that his goal was to have five groups by the end of this year. In connection with the Chinese Nationalist Navy, he stated that they were engaged in replacing Chinese ships with U.S. ships, as fast as they could obtain them.

Minister Yu then thanked the Admiral for his many kindnesses and stated that he was returning to Taiwan in much better health than when he came back here.

T. J. Hedding ³

³ The source text bears a typed signature.

154. Telegram From Ambassador U. Alexis Johnson to the Department of State ¹

Geneva, March 1, 1956—3 p.m.

1571. 1. At three hour 25 min meeting this morning no progress whatever, even some retrogression Wang's part. ²

2. Essence of his position this morning was if we insist on specific mention Taiwan in declaration must be coupled with agreement on Foreign Ministers' meeting as set forth their October 27 draft. ³ If we not willing now agree Foreign Ministers' meeting only acceptable form declaration is their December 1 draft. ⁴ "Ambiguous" U.S. attitude on Foreign Ministers conference and insistence on U.S. amendments to December 1 draft show U.S. purpose is to "procrastinate" Foreign Ministers conference in order maintain status quo "its seizure Taiwan and interference in liberation offshore islands". Four succes-

¹ Source: Department of State, Central Files, 611.93/3-156. Confidential; Niact; Limit Distribution.

² In telegram 1574 from Geneva, March 1, Johnson began his comments on the meeting by observing that "Wang no longer making even any pretense of meeting or responding to my arguments". He continued: "My analysis their actual present position is that they willing 'renounce force' with specific reference Taiwan if we agree Foreign Ministers meeting but they would not consider any such renunciation valid beyond point Foreign Ministers had met and failed achieve peaceful settlement on substantially their terms of 'problem of reduction tensions Taiwan area.' It possible they would consider even such a limited renunciation not applicable offshore islands. I do not consider this necessarily implies any immediate intention attack offshores but only that they not willing even in this limited sense bind themselves with respect to them." Johnson concluded that the possibility of agreement on a declaration on American terms seemed very remote. (*Ibid.*) In letter No. 33, March 2, McConaughy noted that he had discussed the possibility of a stalemate in the Geneva talks with Secretary Dulles on March 1. "No particular decision was made except to hold firm on the position we have clearly staked out. We believe it is a good and eminently defensible position. If Wang should precipitate a break, we believe we can more than hold our own in a public exchange." (*Ibid.*, Geneva Talks Files: Lot 72 D 415, Geneva—Correspondence Re US-PRC, 1955-1956)

³ See footnote 2, Document 85.

⁴ See footnote 4, Document 110.

sive times during meeting he carefully coupled "liberation" with off-shore islands and not with Taiwan as formerly.

3. U.S. insistence on both amendments to December 1 draft is for purpose obstructing issuance declaration.

4. After my reiteration our position he said there was "no point in continuing this sort of discussion" and that PRC was "considering" issuance of public statement. I regretted and deplored their again going to public as indication real lack desire on their part make progress and asked for reconsideration, but expressed willingness let public judge side preventing agreement on meaningful declaration. Could get no indication when and where statement will be made but presume if made will follow same pattern as previously that is, issuance by Peiping with copies made available here.

5. Implementation took familiar lines with my including points contained para 1 Deptel 1693.⁵

6. Next meeting Thursday March 8.

7. Am going Prague tomorrow morning, returning here Tuesday.

[Johnson]

⁵ Paragraph 1 of telegram 1693 to Geneva for Johnson, February 28, contained the Department's guidance for the March 1 meeting. Johnson was instructed to stress the time lapse since the release of the last American allowed to leave China, and to contrast that lapse with the steady flow of voluntary departures of Chinese from the United States, bound for the Chinese mainland. Johnson was further instructed to note that the Chinese failure to fulfill their obligations under the Agreed Announcement must be construed as evidence that they did not expect to achieve anything constructive on other topics. (Department of State, Central Files, 611.93/2-2856)

155. Copy of a Telegram From the Indian Ambassador in China (Raghavan) to Indian Prime Minister Nehru¹

Peking, March 2, 1956.

Chou En-lai said you will be meeting Lloyd and Dulles² in next few days. He would like you to know Chinese view on some current international questions. Questions mentioned by him were:

(I) Sino-American talks and (II) Viet Nam.

¹ Source: Department of State, Presidential Correspondence: Lot 66 D 204, Nehru's Correspondence with Eisenhower/Dulles. A copy of this telegram was handed by Nehru to Dulles in New Delhi on March 10 during the Secretary's visit to India following the SEATO meetings in Karachi, March 6-8.

² Secretary Dulles and British Foreign Secretary Selwyn Lloyd paid separate visits to India in conjunction with the SEATO meetings in Karachi.

2. With regard to Sino American talks Chou En-lai said there are two questions (a) implementation of agreement on nationals and (b) declaration on peaceful settlement of disputes. As regards nationals it is evident USA is trying to get her people back while "her sincerity about sending Chinese nationals back is doubtful."

3. Chou En-lai again gave me figures which were already reported to Ministry. Out of 40 American prisoners only 13 remain. "Cases of remaining prisoners are under review". No difficulty exists in case of prisoners.

4. As regards Chinese nationals in USA many difficulties have arisen. Out of 5242 students only 156 have so far returned. Chinese Government have listed names of 3477 and have ascertained that 628 wish to come back. U.S. Government have however told them that permission to return has been given to only 103 students. Of these 31 have still not returned. In addition 3 students are "missing". Names and addresses of all have been given to Indian Embassy. One student who returned recently was a mental case and difficulty experienced by him shows that students and others are being obstructed from coming back.

5. Chou En-lai mentioned some specific obstructions. Ind Embassy Washington has no facility for communicating text of agreement to Chinese prisoners. U.S. Government has also taken no action in this matter and they have not even given list of prisoners. Chinese Government's information is that in California alone there are over 200 Chinese nationals in prison. Other obstructions are Formosa entry permits and permanent resident permits. Details are known to Ministry. Chou En-lai said all this shows that U.S. Government are obstructing Chinese nationals from returning to China and are not giving same facilities to Indian Embassy as are available to British Chargé d'Affaires here.

6. As regards declaration on peaceful settlement of disputes, Chou En-lai said that discussion has been going on since October last. Four drafts have been considered texts of which he gave me for ready reference. Ministry has got these texts. Chou En-lai said that last American draft³ raised two fundamental questions (a) right of self-defense and (b) specific mention of Formosa area. Under no circumstances could Chinese Government agree to any statement regarding U.S.A.'s so called right of self-defence in Formosa area.

7. After giving Chinese reasons which are well known Chou En-lai said that "Judging from discussion it appears U.S.A. might withdraw clause regarding self-defense in order to insist that Formosa area should be specifically mentioned in draft". He said that Chinese Government agree "if any one talks about disputes between U.S.A.

³ Not further identified.

and China one means that it is about Formosa". At Bandung he had specifically said that "they must work to soften tensions in Far East and Formosa area".

8. Chinese Government would not object to Formosa being specifically mentioned in draft as one of existing disputes. They could only agree to this however if holding of Ministers of Foreign Affairs Conference was also mentioned in draft as agreed method of settling these disputes. "If America does not want to refer to Ministers' of Foreign Affairs Conference we do not want to refer to specific area of dispute, namely Formosa. In that case declaration should be in general terms as suggested by Chinese draft of 1st December".

9. Chou En-lai said United States Government have three reasons for mentioning Formosa while avoiding reference to Ministers' of Foreign Affairs Conference (a) they wish "to show superficially to world that declaration has softened tension in Formosa area while actually it would freeze situation there"; (b) they wish "to tide over election year and have no intention of agreeing to Ministers of Foreign Affairs Conference"; (c) they wish "to increase their armed strength in Formosa area under pretext of helping Chiang Kai Shek. ["]

10. Chou En-lai said, "We see in present American tactics a hidden conspiracy on the part of U.S.A. to cheat and deceive China". He said that their representative in Geneva had declared in yesterday's meeting ⁴ that "they have seen through American plot and they would not agree to their designs". He also said that they were going to tell U.S. Government that they could accept either of two Chinese drafts (a) the draft of last October which refers to both Formosa and Ministers of Foreign Affairs Conference or (b) the draft of 1st December which refers to neither. "This is only logical and fair." In the case of U.S. Government continuing their obstructive tactics Chinese Government "intend releasing entire proceedings of discussions of second item of agenda".

11. Chou En-lai asked me to convey to you his views and added "this question will have important bearing on Far East situation this year and on developments from now onwards. India has been most helpful and we appreciate her good offices for improving relations between China and U.S.A. I would like Prime Minister Nehru to know real state of Chinese views when he meets Lloyd and Dulles."

⁴ Summarized in telegram 1571, *supra*.

156. Editorial Note

On March 4 the People's Republic of China broadcast a statement in English on Peking radio which reviewed the lack of progress in the Geneva talks and concluded: "Tension in Taiwan area is created by U.S. occupation of China's territory of Taiwan and its interference in China's internal affairs. In seeking peaceful settlement of this question, Chinese side has already made great efforts in Sino-American Ambassadorial talks. American side, however, is not only obstructing agreement in talks, but also stepping up its military activities in Taiwan area. Chinese side cannot agree to Sino-American Ambassadorial talks being dragged out as it is, nor can it allow these talks to be used by United States as tool to prevent China from exercising its sovereign rights." (The text of the Chinese statement was conveyed to the Secretary in Karachi as Tosec 8, March 5; Department of State, Central Files, 611.93/3-556)

On March 6 the Department of State issued a press release in response to the Chinese statement of March 4. The statement emphasized that 13 Americans were still being held in prison in China in spite of the agreement reached in September 1955. The United States, according to the statement, continued to seek the return of the Americans imprisoned in China, as well as an agreement on the renunciation of force in the Taiwan area, but saw little evidence that the People's Republic of China was willing to reach agreement on anything other than its own terms. (Department of State *Bulletin*, March 19, 1956, page 451)

157. Telegram From Ambassador U. Alexis Johnson to the Department of State ¹

Geneva, March 8, 1956—5 p.m.

1611. 1. Two-hour 25 minute meeting this morning with no change.

2. Wang was obviously marking time and refused to respond to or be drawn into discussion on renunciation. ²

¹ Source: Department of State, Central Files, 611.93/3-856. Confidential; Priority; Limit Distribution. Repeated for information to Karachi for the Secretary and Robertson.

² In telegram 1614 from Geneva, March 8, Johnson elaborated on his impression of the meeting: "Wang's performance today's meeting confirmed my previous feeling they awaiting assessment success their efforts influence us through January 18 and

Continued

3. In context making points Deptel 1718³ repeated Karachi Tosec 13, I also characterized his position at last meeting and ChiCom March 4 statement⁴ as constituting retrogression from apparent previous position and stated my understanding their present position was they refused to renounce force even temporarily with respect Taiwan area unless US first agrees to Foreign Minister meeting and that this logically leads question what new conditions and prerequisites would be presented in connection with Foreign Minister meeting, that is, would they consider renunciation binding only up to and during such meeting and if meeting did not result complete concession their views would they then consider themselves free use force? Such position is complete perversion renunciation force principle and glaring reversion to war-like ultimata and holding negotiations under threat by one party of initiating hostilities in absence peaceful surrender by other party. Contrasted with US position particularly as set forth in January 21⁵ and March 6⁶ statements stressing last paragraph both statements.

4. Wang completely failed respond these points stating respective positions fully developed last 20 meetings and their views set forth their March 4 statement to which he had nothing to add. Hoped next meeting I would make choice between their two drafts. I

March 4 statements and probably more importantly through GOI during Secretary's visit." Johnson added that, dependent upon the reports which the Chinese received concerning the Secretary's visit to New Delhi, he felt they might move to break off the talks as early as the next meeting. (*Ibid.*) McConaughy responded in letter No. 34 to Johnson, March 9, in which he indicated that the Department did not see the need to alter the American position: "We don't see how we can give you any variant to freshen the atmosphere at the next meeting. It is vexing to have to waltz around the floor to the same old music for the umpteenth time. We understand and share your antipathy for this business but our strategy requires us to stand fast and do nothing to precipitate a walkout. Your pertinacity will put an extra star in your crown." (*Ibid.*, Geneva Talks Files: Lot 72 D 415, Geneva—Correspondence Re US-PRC, 1955-1956)

³ Telegram 1718 to Geneva, March 5, provided the Department's guidance for the March 8 meeting: "Although Chinese Communist statement of March 4 may indicate approach turning point in Geneva talks, we wish to proceed along established lines as if break not anticipated. Your basic tactic should be to keep onus for any prospective rupture squarely on Wang while maintaining integrity our position. You should pitch your discussion in moderate key at same time avoiding defensive posture and maintaining continuous pressure on Wang on both repatriation and renunciation issues." (*Ibid.*, Central Files, 611.93/3-556)

⁴ See the editorial note, *supra*.

⁵ For text of the statement relating to the Geneva talks released by the Department on January 21, see Department of State *Bulletin*, January 30, 1956, pp. 164-166.

⁶ See the editorial note, *supra*. The final paragraphs of the January 21 and the March 6 statements are identical and read: "The United States, for its part, intends to persist in the way of peace. We seek the now overdue fulfillment by the Chinese Communists of their undertaking that the Americans now in China should be allowed expeditiously to return. We seek this not only for humanitarian reasons but because respect for international undertakings lies at the foundation of a stable international order. We shall also seek with perseverance a meaningful renunciation of force, particularly in the Taiwan area."

hoped he would correct me if my foregoing statement their position in error.

5. I made very strong statement on implementation, characterizing situation in this field also as retrogression with ChiCom receding to same positions they held before agreed announcement both with respect Americans in China and Chinese in US. During course in [of] give and take I said, "insofar as desires your government with respect to our talks here are concerned, policy continuing to hold 13 as political hostages can only be counterproductive".

6. He renewed usual charges concerning US "obstruction", repeated demand for accounting of names he had given me, and Chinese in US, and alleged interception mail from families to Chinese in US, and alleged requirement Chinese apply permanent residence or obtain Taiwan entry permits. In latter connection made and reiterated charge US interfered in Indian Embassy desire make public statement. When I replied US does not have to agree or disagree to Indian Embassy making any public statement it desires within proper sphere its activities diplomatic mission, he said "atmosphere here appears to be somewhat different that in Washington".

7. In rebuttal my continued stress on 13 he said if they covered by agreed announcement Chinese US prisons were covered and renewed his demand for "accounting".

8. Next meeting Thursday March 15.

9. Proceeding Prague tomorrow morning returning Tuesday.

[Johnson]

158. Memorandum of a Conversation, Taipei, March 16, 1956, 4:30 p.m.¹

PARTICIPANTS

President Chiang Kai-shek
Madame Chiang Kai-shek
Vice President Ch'en Ch'eng
Minister of Foreign Affairs George Yeh (Interpreter)
Secretary General of the Presidential office, General Chang Ch'uyun
Government Information Bureau Director Sampson Shen
Prime Minister O. K. Yui
Secretary of State John Foster Dulles
American Ambassador Karl L. Rankin
Assistant Secretary of State Walker S. Robertson

¹ Source: Department of State, Secretary's Memoranda of Conversation: Lot 64 D 199. Secret. Drafted by Meyer on March 18.

Assistant Secretary of State Carl W. McCardle
 Counselor of the State Department Douglas MacArthur II
 Counselor of Embassy William P. Cochran, Jr.
 First Secretary of Embassy Paul W. Meyer (Reporter)

SUBJECT

Conference Between Secretary Dulles and President Chiang ²

After an exchange of greetings between the Secretary and President Chiang the Secretary related to the President his impressions of the countries he has recently visited. The Secretary said the purpose of his trip was to apprise himself at first hand of Communist activities in the various countries. The situation in the area was better than he had expected. He felt that if the United States stands firm other countries will too.

The Secretary's comments on the situation in the various countries were briefly stated as follows:

Pakistan, strongly anti-Communist;

Ceylon, one of the most anti-Communist countries in the area; officials insistent that the United States not desert Chiang Kai-shek; Indonesia, situation complicated by variety of political parties but believed government would be formed excluding Communists;

Thailand, categorical assurances given by officials that Thailand would not go Communist, also definitely not neutral;

Vietnam, situation miraculously better than a year ago;

The Philippines, situation continues good.

In India, the Secretary stated, he had had two interviews with Nehru, one of four hours and another the next day of two hours duration. Neither had been able to persuade the other to his point of view. The Secretary said that Nehru believes that the USSR and the Chinese Reds will fall apart eventually, and he wishes to help that process. Nehru thinks the United States can also help by ceasing to oppose communism in the West Pacific. In that event the Chinese Communists would turn on Russia. The Secretary felt that Nehru was primarily concerned about the future of India. India's three principal problems were the internal situation, Kashmir, and relations with Pakistan.

With regard to the United Kingdom the Secretary felt that there had been a slight change in attitude largely because of Soviet actions in the Middle East which threatened the source of its oil upon which Britain was highly dependent. The Secretary said that the joint Eden-

² Dulles was visiting the Republic of China as part of a tour of Asian countries undertaken after the SEATO meeting in Karachi, March 6-8. His trip took him to India, Pakistan, Ceylon, Thailand, Indonesia, Vietnam, Taiwan, Korea, Japan, and the Philippines. The Secretary arrived in Taipei at noon on March 16 and left for Seoul the following morning. Documentation on the trip is *ibid.*, Conference Files: Lot 62 D 181, CF 675-CF 683.

Eisenhower statement ³ contained the strongest expression that Eden had ever made on the subject of communism. He said that President Eisenhower had made a very strong statement to Eden on the United States policy in regard to the admission of Red China to the United Nations, and that there was no doubt in Mr. Eden's mind as to where the United States stood on that question. The Secretary said that Britain strongly advocated reduction of the number of items on the embargo list and that prior to the Eden-Eisenhower talks the Department had been informed that unless we agreed to a reduction in the embargo list Britain would act unilaterally. Britain appeared less zealous now. We agreed to review single items on the list when the interest of free nations would benefit. The United States still had a total embargo on trade with Communist China and no change was contemplated in that policy. The Secretary's view was that international control should be kept as high as possible but not so high that the control collapses. He believes that the system will be continued substantially as at present.

The Secretary then asked the President if he did not wish to speak. The President said that he actually preferred to listen. He said he had several questions to put to the Secretary but that he would submit them in writing later.

In summarizing, the Secretary said that things are going on pretty well for us. The greatest dangers were the weakening of Britain in the Middle East, and France in North Africa.

The President agreed with the analysis given by the Secretary, and asked whether the United States had felt it necessary to adopt a new policy since the last Communist Congress. ⁴

The Secretary stated that one purpose of his present trip was to examine the policy in the light of new Communist tactics. He described the new tactics as "pulling in the claws"; that the former policy of the Communists caused free nations to unite and become stronger in their opposition to communism; but that under the new tactics the claws were still there. The President agreed.

The Secretary stated that he felt the new Communist tactics carried with them new dangers for the free world but so far do not call for any basic change of policy. He said that we cannot afford to match Red "paper proposals" with good money proposals. We must rely primarily on the realization by rulers of those countries concerned that proposals involving bringing in Communist technicians are a very real danger to them. We must give them the alternative of

³ For text of the statement issued jointly in Washington by President Eisenhower and Prime Minister Eden on February 1, see Department of State *Bulletin*, February 13, 1956, pp. 232-234.

⁴ Reference is to the 20th Party Congress held in Moscow, February 14-25.

reasonable economic support. Russian political motives are very apparent. We must have a campaign of education on this point.

The Secretary stated that the purpose of the Geneva talks is the same as first stated, namely to get American citizens out of Communist China and to obtain from the Communists a statement of renunciation of force. The Secretary said that he does not expect to get such a declaration but sees no harm in talking about it as long as our friends understand the purpose. Such a declaration is in accord with the provisions of the Mutual Defense Treaty between the United States and China, and is therefore consistent with both our interests. We do not intend to talk about anything else with the Chinese Communists without close consultation with the Government of the Republic of China. Mr. Chou En-lai seemed anxious to talk with the Secretary, but the Secretary did not reciprocate that feeling. In answer to the President's question the Secretary said that Mr. Nehru did not press for a meeting between the Secretary and Chou En-lai. (He did mention the offshore islands casually.) Mr. Nehru gave the Secretary a memo ⁵ from the Indian Ambassador in Peiping on this subject but Mr. Nehru did not promote such a meeting although he may favor it. The Secretary said that at the time he talked with Nehru, Nehru was preoccupied with the Pakistan problem.

⁵ Document 155.

**159. Memorandum of a Conversation, Taipei, March 16, 1956,
9:30 p.m. ¹**

PST/MC/7/1

PARTICIPANTS

United States

The Secretary of State
Ambassador Karl L. Rankin
Mr. Walter S. Robertson
Mr. Carl W. McCardle
Mr. Douglas MacArthur II
Counselor of Embassy William P.
Cochran, Jr.
First Secretary of Embassy Paul W.
Meyer (Reporter)

Nationalist China

President Chiang Kai-shek
Madame Chiang Kai-shek
Vice President Ch'en Ch'eng
Minister of Foreign Affairs George Yeh
(Interpreter)
Secretary General of the Presidential
Office, General Chang Ch'un
Government Information Bureau Director
Sampson Shen
Prime Minister O.K. Yui

¹ Source: Department of State, Secretary's Memoranda of Conversation: Lot 62 D 181. Secret. Drafted by Meyer on March 18.

SUBJECT

Chiang's Views on U.S. and Soviet Policy

After dinner at the President's residence the President stated that the memorandum he intended to present to the Secretary was unfortunately not yet completed but would be delivered through Ambassador Rankin.² The President said he agreed with the Secretary's statement this afternoon about the new Soviet tactics which contain elements more dangerous than formerly. He said that the Soviets were trying to avoid war before the completion of their sixth five-year plan. He felt the present Soviet united front offensive was directed against the United States in order to discourage long-term preparedness and make the people feel that it was not necessary to continue arming. A great danger to the United States was the Russian propaganda campaign telling communists and others in Southeast Asia that if war comes Russia will win, the purpose of this campaign being to create a situation whereby Southeast Asia will be neutral or go communist. Their second propaganda theme is that Russia will win without war. The third propaganda line being spread in Southeast Asia is that in due course the United States will recognize Red China.

With regard to the Geneva talks the President shared the Secretary's views that the Reds would not agree to a renunciation of force, but the effect on the Asian man in the street of the Geneva talks was bad. He said he had no right to interfere with our policy but wanted to point out the bad effect of the Geneva talks on the people.

The President said that the new Soviet policy was intended to push communism forward and to break the backbone of the free world by subversion and propaganda. He said he would like to be "chief of staff for a short time, to map out U.S. strategy to combat the new communist strategy." He said he told publisher Hearst³ that Asia can be freed from communism without a world war but that countries occupied by communism can be freed by small local wars. War can be avoided by opposing communism in countries not yet occupied. He himself has been thinking since the recent Congress in Moscow and hopes to be able to produce some ideas not involving world war to counteract the present communist program. Roughly the first idea is to create confusion and trouble in communist territory to prevent them from consolidating their gains. We are now trying to contain communism by building dykes, but it is very easy for the communists to get over those dykes, with propaganda and

² See Documents 166 and 169.

³ Randolph Hearst, publisher of a number of American newspapers.

subversion. We cannot treat communists as gentlemen, they are gangsters. Containment previously might have been OK, but now that Red policy has changed, new counter tactics are necessary such as creating confusion behind communist lines. The President said that it is vital for the United States to stay out of any war by national groups armed at bailing out their compatriots under communist rule.

The President said that measures taken by the free world in Western Europe had been in part successful. This was not the case in East Asia. The United States can strengthen its leadership in Asia by taking into account the pattern of the attitude of mind in Asia. People in Asia can be divided into two groups; those who have been ruled in the past by colonial powers and those who have lost territory to the communists and desire to be united again. It is important to raise the standard of living, but this will not take the place of a) the desire to avoid colonialism again or b) the desire to be reunited. It is necessary to satisfy their psychological needs. If aid is not directed in this direction it will not satisfy these desires. American influence over Asiatic affairs has been effective and instrumental in helping 500 million people obtain their independence, but the President doubts that present aid programs can achieve this same kind of effect. The United States aid in Asia should be given more study and be based on emotional appeal found among Asians who a) have been ruled by Western powers and desire to be freed of all vestiges of colonialism, and b) desire to free their country and compatriots from communism. He is inclined to believe that the United States policy lacks clarity, determination and decisiveness. The Soviets seem to offer a constant policy and therefore it is easy for them to win over the Asiatics.

President Chiang further stated that the core of the Asiatic problem is China, and there is doubt in many minds in Asia as to ultimate United States policy in regard to China. It is of vital importance that Asiatic countries should be turned away from neutralism. The only way this can be done is for the United States to have a firm policy towards China. One of the burdens in this regard for the United States is to have to play ball with Great Britain.

President Chiang said that the Secretary can assure President Eisenhower that he will always remain a friend even though the United States follows a policy detrimental to China. America has ideals to which China subscribes. He is aware that the American people will always support freedom and justice and will never forget the help China received in the war against Japan but feels that there is need for more study by the United States of conditions in the Far East and for a stronger policy.

Some Asiatics feel that the President (Chiang) will start a drive for the mainland in order to stir up trouble and involve the U.S. He wishes to give assurance that he will not do so and reiterated that Nationalist China will live up to the letter of its agreement with the U.S. He again reiterated the need for a stronger United States policy. He said he had almost guessed what happened in Washington between Eden and Eisenhower, but the people do not understand. He is personally confident that Red China will not be admitted to the United Nations, also that there will be no recognition by the United States of Red China, but Asians are confused by gentler talk and an expression of a strong policy is needed for the people.

President Chiang stated that he rejoiced over the recovery of President Eisenhower and his willingness to run again. The people hope that President Eisenhower will be able to carry out the "liberation policy he enunciated in the 1952 campaign". There is nothing more forceful or appealing to Asiatic people than for the U.S. to act as sponsor for the self-effort of Asians to liberate their peoples and to recover their own territory. It is important that President Eisenhower understand what the people of Asia look to him for.

In conclusion the President stated there is no way in which Asia can be free of communism until mainland China is free. And until Asia is cleared of communism the rest of the world cannot be freed from it. The President said he had talked in general terms but it was time to work out the strategy for liberating Asia.

The Secretary welcomed the expression of views of President Chiang. It was the purpose of his trip to obtain those views. The problems which President Chiang had raised are complicated. The Secretary asked that President Chiang have faith that we are trying to solve these problems, bringing the same spirit to bear that he had mentioned. When we come up with different answers it is because we have more knowledge than he about certain aspects. President Chiang stated that he was in agreement. For that reason he hoped that they could get together oftener. If we could allow adequate time for consultation, misunderstandings could be avoided.

President Chiang stated that he thought efforts should be devoted to the forming of an alliance between Free China, Korea and Vietnam. Such an alliance would of course not be effective without the United States leadership. He asked the Secretary to give consideration to this question. These three countries, he stated, can bring concerted pressure against Communist China. The President said it was not necessary for the U.S. to become a member of such a three power group but hoped the U.S. might work toward this end. Mr. Robertson stated that there already exist defense treaties between the United States and Free China and Korea, but not with Vietnam. The

President also suggested an alliance among Korea, Japan and Free China, but did not pursue that subject.

The Secretary said that he was very happy to consider the questions raised by President Chiang. He said that there was no inconsistency in our policy. He urged the President not to be concerned with impressions of vacillation in our policy created by the free press in our country and suggested the President pay as little attention as he did to what the press says.

The Secretary said that he could not agree that Soviet policy was constant, and gave as an example the visit of Soviet officials to Yugoslavia which was just as inconsistent with previous Soviet policy as if President Eisenhower, Mr. Dulles and Senator Knowland should go to Peiping on a similar pilgrimage to visit Chou En-lai. Also the writings of Stalin which had been taught as basic doctrine for 25 years were now being consigned to the ash can. This was hardly an example of consistency. The Secretary said that when you see extraordinary changes in a country like Russia both with respect to doctrine and personalities it means everything is not well. The Secretary quoted President Eisenhower as saying that if you only think of your own problems the enemy has you licked before you start. The difference between a free and despotic system is that in a free society all problems and difficulties are exposed by a free press whereas despotisms present a hard polished front which frequently hides a rotten interior. This was the case with Nazism. We should not be misled but should always remember that victory goes to him who can keep his nerve to the last fifteen minutes.

**160. Memorandum of a Conversation, Taipei, March 16, 1956,
11 p.m.¹**

PARTICIPANTS

President Chiang Kai-shek
 Foreign Minister George Yeh (Interpreter)
 Assistant Secretary of State Walter S. Robertson
 First Secretary of Embassy Paul H. Meyer (Reporter)

SUBJECT

Conference Between President Chiang and Assistant Secretary Robertson

¹ Source: Department of State, PPS Files: Lot 66 D 487, China. Secret. Drafted by Meyer on March 18.

After the conference with the Secretary, President Chiang asked Mr. Robertson if he would stay on for a few minutes for further conversation. During the discussion with Secretary Dulles, President Chiang had said that he was a "candidate" for the job of Chief of Staff of the United States Army. Mr. Robertson opened his conversations by asking the Generalissimo what he would do if he were Chief of Staff of the United States Army to counter the new Communist tactics. President Chiang stated that the solution for Asia lies in an attack on the mainland of China. He did not think the time was right at present, but suggested that when President Eisenhower is re-elected we start thinking about a liberation movement. He contemplated military action taken by China without United States participation. When asked by Mr. Robertson whether he could be successful in such a venture without the participation of the United States, President Chiang stated that he had complete confidence that he could. His objectives were to avoid a world war, to check the advance of communism by creating confusion in communist areas and to bail out the Chinese people from communist control. In order to create confidence among people behind the Iron Curtain it was necessary to break through the curtain at certain points.

Mr. Robertson stated that he would be less than frank if he did not take this opportunity to express the American viewpoint. He said that neither Congress, the people of the United States, nor the President will make offensive war anywhere for any purpose. We would of course, oppose by force communist aggression. There was a tremendously important role for Free China to play. Free China offers the only alternative to communism on Taiwan, overseas and on the mainland. Despite all claims made about Red China, conditions there were probably worse for the average man than ever before. Mao and his group no more represent the people of China than William Z. Foster² represents the American people. No one knows when the break is coming on the mainland, but there must be a Free China when it comes. Free China needs to be strengthened for that time. He again stated that the United States is not prepared to support offensive war anywhere in the world. With reference to the statement that the United States has no firm policy, Mr. Robertson suggested that if the President could have heard President Eisenhower talk to Mr. Eden he would have said that our policy is firm. We are under tremendous pressures for recognition of Red China. We have resisted them all. The Generalissimo said that to the popular mind the Geneva talks were a step in that direction. Mr. Robertson said that one purpose of this trip is to disabuse that idea in peoples' minds.

² William Z. Foster, Chairman of the Communist Party of the United States.

The Generalissimo said he fully understands and does not expect the United States to participate in a war, but that there must be some way the United States can strengthen China's position to recover the mainland.

161. Telegram From the Secretary of State to the President ¹

Seoul, March 17, 1956—6 p.m.

Dulte 35. Eyes only Acting Secretary From Secretary for President.

Dear Mr. President: I spent a day at Taiwan which was relatively uneventful. During the afternoon I gave President Chiang Kai-Shek a round-up of my trip so far, and he seemed reassured that the effect of the trip was to stiffen resistance to Communism in the area.

In the evening Chiang presented his views about present Communist tactics and suggested a policy of concerted pressure by the Republic of Korea, the Republic of Vietnam to "unify" their countries, possibly by "local wars", where the United States would supply the logistics but not engage in the fighting.

He was somewhat vague but said he would give me a memorandum further developing this idea which I gather is more theoretical than practical.

I reported on our talks with Eden, and Chiang expressed great gratification at your attitude.

Of most significance perhaps was the fact that he did not mention the subject of the offshore islands or our attitude toward their defense. I also did not bring up the subject after having first checked with Rankin that the President fully understands that we have no commitments to him in this regard but would be guided wholly by the circumstances of the moment assuming attack occurs.

From my talks with the US Country Team I think there is a somewhat excessive tendency on the part of the Chinats to aggravate the situation by minor plane and artillery initiatives, and I think we should try to bring this under closer control. I did not find any feeling that an all-out Chicom assault was likely in the early future, and on the whole I found Chiang more relaxed than when I saw him last year.

¹ Source: Department of State, Central Files, 110.11-DU/3-1756. Secret; Priority.

I received at Taipei your kind message of March 15.² I can appreciate the anxiety caused by Middle East and North African complications, and regret that I am not in Washington to share them, but I shall be back very soon.

Faithfully yours, Foster.

Dulles

² Tedul 44 to Taipei, March 15, conveyed a personal message to Dulles from Eisenhower. The President expressed appreciation for the Secretary's efforts to keep him informed and indicated that Middle Eastern and North African problems were occupying the Administration and awaited the Secretary's return. (*Ibid.*, 110.11-DU/3-1556)

162. Memorandum From the President's Assistant (Adams) to the Acting Secretary of State¹

Washington, March 19, 1956.

SUBJECT

Meeting with Krishna Menon and Ambassador Mehta on March 19, 1956.²

The purpose of the meeting seemed to center upon the suggestion made by Krishna Menon that overtures should now be made toward a meeting between the Communist Chinese Government and the Americans. The rationale of the suggestion was based on the desirability of exploratory discussions toward the resumption of diplomatic and trade relations.

Prompted by a reference to the possibility of the Formosan question being raised, it was readily admitted that the matter would unquestionably come up, but that the inclusion of Chiang Kai-shek in any such meeting was an obstacle which ought not to be permitted to intervene.

In answer to my emphasis upon the showing by the Chou En-lai Government of good faith and the willingness and ability to support and maintain guaranties and commitments respecting Far Eastern territorial integrities and like questions, Menon made the statement that those were precisely the points that the Chinese themselves raised in their discussion of possible negotiations. The purpose of any such conference in Menon's mind was designed principally to show that a

¹ Source: Department of State, Central Files, 611.95/3-1956. Personal and Confidential. Hoover conveyed a copy of this memorandum to the Secretary under a covering memorandum on March 21. (*Ibid.*)

² Hoover indicated, in the covering memorandum noted in footnote 1 above, that the meeting was held at the suggestion of the Indians.

meeting could develop both solutions and good will. In answer to my questions he suggested such a meeting could be held in Vienna, and would be attended by Chou En-lai and a Presidential designee. He thought the Secretary of State would doubtless be too much engaged.³

The Indian Ambassador spoke of the Nehru visit.⁴ Apparently he wished to convey that the change in Nehru's plans had been brought about only with considerable effort.

No mention of nuclear tests or disarmament was made, and German reunification came up only with perfunctory reference, mainly by Menon's reference to the fact that he had never believed that the Soviets should oppose free discussions between the peoples of divided Germany.

SA

³ In letter No. 26 to McConaughy, March 28, Johnson wrote from Geneva that he was not surprised to learn of Menon's proposal, which he was inclined to think "is genuine and not just a brainchild of Krishna's". He added, "I have thought all along that they want to do business with us, on their terms of course, but they find our terms on renunciation of force too hard for them". Johnson saw the proposal as an attempt to get easier terms from the United States by bypassing the Department of State. McConaughy replied in letter No. 36 to Johnson, April 2, that he had discussed the Menon proposal with the Secretary: "His reaction was that the move was probably an effort by the Chinese Communists to take an intermediate step in the direction of an eventual Foreign Ministers Meeting. His off-hand reaction was that we had nothing to gain by assenting to Krishna Menon's suggestion, and that we would be walking into a trap if we did." Johnson agreed, in letter No. 27 to McConaughy, April 8, that the United States should not accept Menon's proposal. (All three letters are in Department of State, Geneva Talks Files: Lot 72 D 415, Geneva—Correspondence Re US-PRC, 1955-1956)

⁴ Reference is to a proposed visit to the United States by Nehru tentatively scheduled for July. The visit did not take place until December.

163. Telegram From Ambassador U. Alexis Johnson to the Department of State¹

Geneva, March 22, 1956—3 p.m.

1661. 1. One hour forty minute meeting this morning.² No change whatever.

¹ Source: Department of State, Central Files, 611.93/3-2256. Confidential; Priority; Limit Distribution.

² The meeting scheduled for the previous week was postponed at the request of Ambassador Wang, who pleaded the press of urgent business in Warsaw. (Telegram 1631 from Geneva, March 13; *ibid.*, 611.93/3-1356)

2. Wang's opening statement was devoid of any new content and closed with reiteration I choose between their two drafts. In response my last meetings characterization his position as war-like ultimata he made this charge against US citing alleged statement by Air Force Major General Hunter Harris to effect in event outbreak fighting Matsus would be no question but that there would be joint air support.³ I reiterated our position including willingness listen any reformulation essential points our January 12 amendments contrasting with their ultimatum and take it or leave it attitude. Renunciation closed with each of us hoping other would meet position of other at next meeting.

3. I attacked their March 11 statement⁴ as not helpful to negotiations and as containing gross distortions and misstatements of fact including charge we had pretended [*prevented?*] Indians making statement, I had admitted 32 Chinese detained, etc. Also made statement on Father Houle's sentencing⁵ statement "protesting outrage" US authorities causing death of Daniel Pao⁶ (Pao Che-en) (see FBIS March 15 daily report) who placed under surveillance in 1950 after trying to return and in 1952 "forcibly" sent to sanatorium "on pretense" he had TB and where he "mysteriously" died two months later obviously as result of US "persecution". [*sic*] I made vigorous reply characterizing charges regarding Pao as desperate and absurd attempt cover up failure release 13 and characterized ChiCom treatment imprisoned Americans and other foreigners as "barbarous".

5 [*sic*]. Meeting closed on this acid and acrimonious note.⁷

6. Next meeting Thursday March 29.

7. Departing for Prague tomorrow morning; returning Tuesday.
[Johnson]

³ In telegram 1809 to Geneva, March 28, the Department informed Johnson that Wang's charge grew out of an erroneous quote by the local Chinese press of a statement made by General Harris in Taipei. (*Ibid.*, 611.93/3-2856)

⁴ On March 11, the Chinese Consulate General in Geneva issued a statement denouncing the U.S. position in the Geneva talks in terms similar to the prior Chinese statement of March 4. (See Document 156) The March 11 statement was reported to the Department in telegram 1621, March 11. (Department of State, Central Files, 611.93/3-1156)

⁵ Father Houle, an American missionary, was tried and sentenced to a long prison term in China on October 30, 1955.

⁶ Daniel Pao was a Chinese student who came to the United States to study civil engineering at the University of Florida in 1948.

⁷ In telegram 1663 from Geneva, March 22, Johnson expanded his comments on the meeting: "While there was some indication Wang might be attempting goad me into saying I saw no point in continuing talks given their present position, he did not push hard and made no attempt move further toward break. In accordance pattern last few meetings he did not make any attempt meet my points and rebuffed my efforts draw him into substantive discussion. In general might characterize his attitude today as willingness continue endurance contest and continued unwillingness make slightest move to break deadlock." (Department of State, Central Files, 611.93/3-2256)

164. Telegram From Ambassador U. Alexis Johnson to the Department of State ¹

Geneva, March 29, 1956—9 p.m.

1706. 1. Calm and mild one and a half hour meeting this morning with Wang soliciting and even urging new draft by U.S. and I tossing ball back to his court.

2. I opened meeting with prepared statement incorporating paragraphs 1 and 2, Department telegram 1804. ² Wang made no attempt to meet, but receding from take it-or-leave-it attitude on their October 27 and December 1 drafts, stated "If U.S. still found those drafts unacceptable, U.S. should put forward new constructive proposal and submit new draft". I, of course, countered pointing out by all logic and normal negotiating procedures it was their turn put forward draft if they genuinely shared our desire for declaration. Much inconclusive fencing during remainder of meeting on point of who should submit new draft. ³

3. His reply my statement on implementation was very brief, reiterating in low key charges U.S. not carrying out agreed announcement and stating if U.S. has in mind only Americans in China and does not give due consideration problem Chinese in U.S., "this problem can never be resolved". Again raised failure account Chinese in prison and on lists given me and asked for information on Pao's "mysterious" death.

4. He proposed and I agreed to next meeting Monday April 9. In order I could make plans I asked whether he would agree next following meeting Thursday April 19. He asked decision be deferred

¹ Source: Department of State, Central Files, 611.93/3-2956. Confidential; Priority; Limit Distribution.

² Telegram 1804 to Geneva, March 27, provided Departmental guidance for the March 29 meeting. In paragraph 1, Johnson was instructed to press the Chinese on the issue of the return of Americans held in China, and to indicate that prospects for reaching agreement on other outstanding issues depended upon complete implementation of the Agreed Announcement. The second paragraph dealt with the question of renunciation of force, and Johnson was instructed to "maintain posture of being willing consider any Chinese Communist amendments which would not do violence basic principles our January 12 draft". Johnson was instructed to criticize, however, a "take it or leave it" attitude on the part of the Chinese with regard to their two drafts dealing with the question. (*Ibid.*, 611.93/3-2756)

³ In telegram 1707 from Geneva, March 29, Johnson expanded his comments on what he saw as a shift in Chinese tactics: "Believe Wang considers that his shift today from former take it or leave it attitude with respect his October 27 and December 1 draft was move on their part to get talks off dead center, and that next move is up to us. Do not believe he will submit any new draft next meeting. However I feel his move today gives us opportunity present new draft without same disadvantages as heretofore, if we desire do so." (*Ibid.*, 611.93/3-2956)

until next meeting and I told him I expected make proposal April 19 meeting that time.

[Johnson]

165. Editorial Note

On April 9, the Foreign Ministry of the People's Republic of China conveyed a note concerning Korea to the British Chargé d'Affaires in Peking for transmission to the 16 governments which comprised the United Nations Command. The note contained a proposal, made on behalf of the People's Republic of China as well as the Democratic People's Republic of Korea, which called for the reconvening of a conference of the nations concerned to discuss the related questions of the withdrawal from Korea of all foreign forces and the peaceful unification of Korea. On May 28 the Chargé returned a reply to the Foreign Ministry from the British Government, acting on behalf of the governments of the United Nations Command. The British note indicated that the governments of the United Nations Command were not aware of any change in the position of the Chinese and North Korean Governments regarding Korea which might make the reconvening of a conference to consider Korea fruitful. The governments of the United Nations Command reiterated, however, that they were prepared to discuss the unification of Korea on the basis of established United Nations objectives. Texts of the Chinese and British notes are printed in Department of State *Bulletin*, June 11, 1956, page 970.

166. Letter From the Foreign Minister of the Republic of China (Yeh) to the Secretary of State ¹

Taipei, April 9, 1956.

DEAR MR. SECRETARY: During your recent visit to Southeast and East Asia, your attention must have been drawn to the new economic offensive launched by the Soviet and Chinese Communists in these areas. While the Soviet policy in this regard is obviously to counteract United States aid programs, the intention of the Peiping Commu-

¹ Source: Department of State, Central Files, 761.00/4-956.

nist regime is to employ trade relations as a means to win over the support of the Chinese communities abroad, especially in countries which have accorded it recognition. Our reports from these areas indicate that the Chinese Communists have achieved some measure of success. My Government views these developments with particular concern.

Prior to your arrival at Taipei, President Chiang had, in fact, intended to take up the matter with you, but time was not available for a full discussion during your brief sojourn here. I am now directed by the President to present to you herewith two memoranda. Memorandum A² deals with a regional and interregional economic plan brought into relationship with United States aid programs to counter the Communist economic penetration in Asia. Memorandum B³ outlines the present position of the Chinese communities in Southeast Asia and a plan to strengthen the anti-Communist attitude of the Chinese residing in these areas.

It is earnestly hoped that the United States Government will give serious study and consideration to the recommendations set forth in the memoranda.⁴ My Government is prepared at any time to enter into technical discussions with yours concerning the plans contained in these documents.

² Memorandum A, attached but not printed, is entitled "A Regional Economic Plan for Free Asia to Counter Communist Penetration". It reviewed the economic situation in Asia—seen in Taipei as dangerously subject to Communist economic penetration—and proposed economic countermeasures to meet the Communist challenge. Among the measures proposed were a boycott of all trade with Communist nations, the establishment of an Asian payments union to facilitate international payments, the development of a regional plan for economic development, and the creation of a program to better utilize and stockpile agricultural surpluses. A regional conference was proposed to develop and coordinate these proposals.

³ Memorandum B, entitled "Joint United States-Free China Program to Organize Overseas Chinese against Communism", also attached but not printed, listed as objectives: "A. To prevent the Chinese Communists from using the overseas Chinese in Southeast Asia as tools in infiltration and subversive activities. B. To enhance the prestige of and support for the Government of the Republic of China among the overseas Chinese. C. To increase the confidence of the overseas Chinese in American leadership among the free nations and through these Chinese to help spread such confidence to the local peoples of Southeast Asia." To accomplish these objectives, the United States was asked to provide financial and technical assistance for such proposals as the publication of anti-Communist newspapers and periodicals, the establishment of an overseas Chinese book company, the expansion of the Taiwan school program in overseas Chinese communities, the establishment of a banking corporation to assist overseas Chinese economic enterprises, and the promotion of properly oriented Chinese motion pictures.

⁴ A note on the source text in an unknown hand reads: "reply sent April '56". No reply has been found in Department of State files.

Wishing you continuing success in your effort to serve the cause of freedom,

Yours sincerely,

George K. C. Yeh

167. Telegram From Ambassador U. Alexis Johnson to the Department of State ¹

Geneva, April 9, 1956—noon.

1737. 1. Very mild one hour 10 minute meeting this morning.

2. Wang opened with statement hoping I would have constructive suggestions that would enable us to make progress. I replied with expression disappointment he had no concrete suggestions; unreasonable expect me offer suggestions meet his objections which I did not consider well-founded; willing cooperate find language meet both points of view and listen any suggestions he had consistent with principles I consider essential. I hoped that he would at this morning's meeting "at least have some thoughts that would enable me to give further detailed consideration this matter prior to our next meeting". He cut off any further discussion, moving to implementation.

3. Implementation was along familiar lines, he giving me three more names, I making points contained para one Deptel 1841. ² Although I gave him many openings to do so he seemed deliberately to avoid any mention whatever of Chinese prisoners in US, concentrating on "almost 50 names" he had given me for which I had not accounted. In my rebuttal I cited his failure give me any additional info on Yuan Jui-hsiang or reply to my request for medical records on Bradshaw and Kanady as well as focusing discussion on fact Indian embassy has not yet brought to our attention single allegation of obstruction.

4. He demurred my suggestion next meeting April 19 pressing for Monday April 16 but finally yielded to Thursday April 19.

[Johnson]

¹ Source: Department of State, Central Files, 611.93/4-956. Confidential; Limit Distribution.

² Paragraph 1 of guidance telegram 1841 to Geneva, April 5, reads: "Maintain strong position that Chinese must implement their commitment release imprisoned Americans. Tell Wang that Chinese Communists should discard any illusion that their continued failure live up to their agreement will gain them political advantages. Also that failure carry out in good faith agreement already made is unpropitious basis for attempt make further agreements." (*Ibid.*, 611.93/4-556)

168. Special National Intelligence Estimate ¹

SNIE 100-4-56

*Washington, April 10, 1956.*POSSIBILITY OF CHINESE COMMUNIST MILITARY ACTION
AGAINST CERTAIN OFFSHORE ISLANDS ²1. In NIE 13-56 ³ we estimated that:

While the Chinese Communists probably do not intend to attack Taiwan so long as the US maintains its commitments to the Nationalists, they will almost certainly conduct probing operations against the offshore islands. If the Chinese became convinced that the US would not assist in the defense of these islands with its own forces, they probably would attempt to seize them. Should Peiping's forces successfully occupy the Nationalist-held offshore islands without incurring US military retaliation, there would be an intensification of the campaign to obtain Taiwan.

We believe that this estimate is still valid. The Chinese Communists almost certainly continue to have as an objective the establishment of control over the offshore islands and have the capability of launching an attack against any of the islands with little or no warning.

2. The Chinese Communists probably believe that a major frontal attack on the main islands of the Quemoy and Matsu group would meet stiff resistance, might provoke US intervention, and would prejudice Peiping's "peaceful" pose elsewhere. However, in the case of such lightly-held and strategically less important islands as the Wuchius and Yinshans, the Chinese Communists probably estimate that the chances of US intervention would be slight and that

¹ Source: Department of State, INR-NIE Files. Secret. Special National Intelligence Estimates (SNIEs) were high-level interdepartmental reports presenting authoritative appraisals of vital foreign policy problems on an immediate or crisis basis. The procedures involved in the production and distribution of SNIEs were those that applied to NIEs.

² According to a note on the cover sheet, "The following intelligence organizations participated in the preparation of this estimate: The Central Intelligence Agency and the intelligence organizations of the Departments of State, the Army, the Navy, the Air Force, and The Joint Staff". All members of the Intelligence Advisory Committee concurred in this estimate on April 10, 1956, except for the Atomic Energy Commission representative and the Assistant Director, Federal Bureau of Investigation, who abstained because the subject was outside of their jurisdiction.

³ Chinese Communist Capabilities and Probable Courses of Action Through 1960, published 5 January 1956. [Footnote in the source text. For a summary of NIE 13-56, see Document 126.]

an attack would involve considerably less damage to their "peaceful" pose.

3. In these circumstances we consider the chances to be about even that the Chinese Communists will attempt to seize some of the minor offshore islands during the next six months or so. However, if during this period the Chinese Communists should come to estimate they are achieving significant progress by other means toward their announced foreign policy objectives, we believe that the chances of such action would be reduced.

169. Letter From President Chiang Kai-shek to President Eisenhower¹

Taipei, April 16, 1956.

DEAR MR. PRESIDENT: During Secretary Dulles' brief visit here last month, I had the pleasure of reviewing with him many of the problems that concern our two countries. I was particularly happy to learn from him of the remarkable restoration to health you had achieved to the blessing of the free world.

Mr. Dulles' recent tour through Southeast Asia and Far East did much to enhance the prestige and strengthen the leadership of the United States in these parts of the world. Ever since the Summit Conference² last July and particularly as a result of the protracted talks between the representative of the United States and that of the Chinese Communists at Geneva, there has been felt an acute sense of uneasiness and bewilderment among the free peoples of Asia. Certain Asian countries, heretofore anti-Communist in their general outlook, have begun to waver and to veer toward neutralism. Mr. Dulles was able during his visit to reaffirm to the Asian leaders the determination of the United States to continue to oppose Communist aggression and to dissipate any fear that the United States itself might be contemplating a shift of policy toward Soviet Russia and Communist China. I was especially impressed by the Secretary's account of the firm stand you took at your meeting with Anthony Eden early this year against the admission of the Chinese Communist regime in the

¹ Source: Department of State, Presidential Correspondence: Lot 66 D 204, Chiang Kai-shek Correspondence. Personal and Confidential. The letter was translated in the Foreign Ministry of the Republic of China. The original letter and translated copy were transmitted to the Department as enclosures to despatch 596 from Taipei, April 23. (*Ibid.*, Central Files, 793.11/4-2356)

² Reference is to the Geneva Conference of Heads of Governments, July 18-23, 1955.

United Nations. Needless to say, I am most appreciative of the continued support you give to my Government in this and other respects.

Secretary Dulles and I were in general agreement on a number of questions discussed. We shared the view, for instance, that the new posture assumed by Soviet Russia during and since the 20th Congress of the Russian Communist Party represented no change in basic policy, but new tactics designed for a more effective Communist expansion. In fact, it should be regarded as a more cunning, therefore more dangerous, phase of Russia's cold war tactics. Soviet Russia's policy remains the conquest of the world by Communism.

I have followed with understanding the various measures you have adopted in meeting the changing tactics of Soviet aggression. I am equally aware, however, of the mounting crisis besetting the free world in the face of Russia's new offensive. You will, perhaps, agree with me that to combat Communist aggression more effectively at this crucial moment, it would be necessary for us to act in unity and concert. For this reason, a frank and periodic exchange of views between allies would be helpful. The shortness of Mr. Dulles' visit here made our discussions inevitably brief. I have since asked my Foreign Minister to submit to Secretary Dulles, for your Government's consideration, two memoranda,³ one on Asian regional economic development and the other on the question of the overseas Chinese in Southeast Asia. Here in these pages, I propose to set forth at some length some of my views on American policy in Asia in general—views that are based on my personal observations of the workings of international Communism during the past thirty years.

Factors in Contemporary Asian Outlook

The United States of America occupies a unique position in the contemporary history of Asia. As a result of her efforts and her influence, over 600,000,000 people in various parts of Asia have gained freedom and independence since the close of World War II. More than anything else, it is American political philosophy and practice that have made the great majority of the 1,200,000,000 people of Asia ardent friends of the United States. For the same reason, the entire free world looks to the United States for leadership. The aspirations of the Asian people manifested in their unceasing struggle for freedom and independence grow for the most part out of the influence of American concepts of personal liberty and social justice. The Asians know that the United States have no colonial designs. The granting of independence to the Philippines was a convincing example.

³ See footnotes 2 and 3, Document 166.

Dr. Sun Yat-sen, himself a great admirer of American ideals and institutions, advocated close collaboration with the United States in China's international relations long before the founding of the Chinese Republic in 1911. The impact of American influence on China since Dr. Sun's time had steadily gathered strength until the Communist occupation of the Chinese mainland. The loss of the Chinese mainland to Communism was, indeed, a shattering blow to the cause of freedom not only in China but in Asia as a whole. This is borne out by subsequent Communist aggression in Korea and Vietnam and the increasingly widespread infiltration and subversion in other Asian countries. Today, whether or not freedom in Asia could be made secure depends to a very large extent on the success or failure of China's effort to regain her freedom by overthrowing the Communist regime.

Political independence and territorial integrity remain the predominant aspiration of the Asian people today. The fact that many of the Asian countries have grown out of their colonial status does not remove their deep-seated resentment against Western colonialism. Any action taken by Western powers in Asia is looked upon with suspicion regardless [of] its true motive. This is true particularly in matters of collective security and foreign aid. Often groundless, such suspicion becomes an important political factor in Asia. It easily lends itself to Communist propaganda which, by exploiting anti-colonialism, seeks to turn the Asian people against the West, including the United States. It blinds the Asian people to the obvious fact that international Communism represents another form of colonialism, even more insidious. To cope with this psychological and emotional factor, the United States as the leader of the free world must try to convince the Asians that, in seeking their cooperation and offering them aid in any scheme of mutual security, her only purpose is to help the Asian countries safeguard their newly gained freedom and independence in the face of the threat of Communist colonialism. Thus, it would also be advisable for the United States to avoid, whenever possible, identifying its policy with colonial powers such as Great Britain and France in its dealing with Asian nations. American leadership, unfettered and unequivocal, must be clearly demonstrated.

There exists in Asia today another equally important political factor. In such countries as Korea, Vietnam and China where Communists have through aggression and conspiracy come into actual control of considerable parts of their territories, the over-riding aspiration of the people, whether behind or outside the Iron Curtain, is reunification under the banner of freedom and democracy. Such aspiration, however, has not been given due regard by the free world. While this popular aspiration has received considerable impetus from

American military and economic aid, the general feeling is that its early fulfillment does not at present have the support of the United States. The people of these countries are even tempted to construe American aid as designed to perpetuate the status quo. To those suffering behind the Iron Curtain, this is perhaps even more disheartening. Conditioned as they are by Communist propaganda, they may give up all hope for their eventual liberation. I have suggested to Secretary Dulles that a close study should be made to better tailor the United States foreign aid programs to the demands of the political aspirations of the Asian people. Admittedly, it involves difficulties. But, as the force of Communist aggression continues to gain ground in Asia, the need for a more positive approach to the entire question of United States support for anti-Communist countries cannot be over-emphasized.

Basic Soviet Tactics and Countermeasures

Soviet Russia's policy of world conquest has been evident ever since the October Revolution in 1917. The Soviet government on the one hand has sought to secure its totalitarian rule at home through an economy geared to military expansion. On the other, it has relentlessly pursued the goal of world revolution through the operation of the Communist Internationale. While its tactics may vary to accommodate the conditions of a given scene of operation and in accordance with its own strength at a given time, its final aim at world conquest has always remained unchanged and undiminished.

Viewing the Soviet practice against the Leninist dogma of world revolution, I believe the basic Communist policy of aggression consists of three things. First of all, it is the guiding principle in Soviet strategy that, unless its own territory is attacked or subject to imminent threat of attack, Soviet Russia would invariably avoid direct participation in any war and seek to preserve its own strength. But it would not hesitate to exploit any conflict and contradiction between other countries by means short of engaging itself in war.

Secondly, Soviet Russia relies for the success of its aggressive designs principally upon the use of indirect force. On the one hand, it constantly resorts to infiltration and subversion to manufacture internal revolution in other countries. Such activities are usually carried out under the guise of political collaboration, economic cooperation or cultural and technical exchange. When the time is ripe, arms are provided to national Communist parties which would then grab political control with force and turn the countries into Soviet satellites. On the other hand, Soviet Russia utilizes every friction and conflict between the free nations to create and enlarge dissensions and to destroy the unity of the free world. The current Soviet peace offensive featuring the so-called diplomacy of smiles is but an intensification

of such divisive tactics. In the Communist calculation, the practice of such tactics is far more important to the achieving of world revolution than the actual use of military force.

The third element in the basic Soviet policy is the ceaseless preparation for war. Russia's avoidance of direct use of force and its indirect methods of subversion and infiltration by no means contradict the policy of preparing for war. On the contrary, they serve as its effective cover, enabling the Soviet Government to carry out its militarized economic programs, to expand the war machine and to prepare for total mobilization. Such war preparation in turn provides an effective backing for further aggression short of war. It is designed also to cause confusion and weariness in the free world, to place the free nations on the defensive in armament race and to lead them astray both in concepts of strategy and in action. Thus, at the proper moment and after the indirect tactic of aggression has done its part, Soviet Russia would then be in a position to deliver the fatal blow on the free world.

For more than thirty years, especially since the end of World War II, Soviet Russia has been able to put to the most effective use, separately or combinedly, the above three phases of its basic policy. It exploits the weaknesses in the armour of the free world and devises such methods as required by any given set of circumstances. Without shedding its own blood, Soviet Russia has succeeded in the past decade in placing more than 600,000,000 people behind the Iron Curtain and the entire free world in a most precarious position.

The recent decision by the 20th Congress of the Russian Communist Party to encourage neutralism and to support the United Front movement is adopted as a counter action against the policy of collective self-defense under the United States leadership and represents the combination of the three kinds of tactics mentioned above. Assured that the United States and the free world as a whole would not initiate a war against it, Soviet Russia always enjoys freedom of action on the brink of war. Behind the peace offensive, the Russian Government is permitted to go all out in developing nuclear as well as conventional arms, in carrying out the 6th Five-Year Plan and in forging Russia and Communist China into one single war machine integrating the Eurasian landmass. In so doing, Russia strives to achieve and retain a military superiority over the United States so as to secure the benefit of initiative in the next world war when it eventually comes. An important part of the Soviet peace offensive is the effort to create and exploit differences among the free nations, so as to weaken the enemy even before the war actually begins. Its instigation of extremist activities among nationalists and anti-colonialists in North Africa, Southeast Asia and the Middle East and its

brazen act of providing weapons for the armed conflict between Israel and the Arab countries are only more glaring examples.

Opinion has been divided as to how best to deal with the increasingly critical situation resultant from the Russian policy of aggression. The free world could wait for Russia to start another global war after the completion of the Soviet war preparations and then, and only then, strike back in force and resort to nuclear retaliation, if necessary. This policy, currently adhered to by the Western powers, appears to accept the inevitability of World War III. As an alternative, the free world may continue to hope for the day when Russia would of its own accord abandon the objective of world conquest. This line of thought seems to have gathered strength particularly since the advent of the "co-existence" propaganda. Certainly, this is but an illusion. The true alternative, I believe, lies in the gaining of the initiative by the free world, not to precipitate war, but to create confusion and unrest within the Communist camp and to induce revolution in the countries behind the Iron Curtain. Soviet Russia could thus be deprived of its capabilities not only of starting a world war, but of furthering its aggression piecemeal as it has done successfully thus far. Herein lies the only path to prevent a general world war.

As the leader of the free nations, the United States is the main and final target of the Communist world revolution. Which of the measures mentioned above should the free world adopt for the defeat of the forces of aggression at this crucial moment is necessarily the responsibility of the United States and, to a considerable extent, of your good self.

To Induce Revolution in Communist Camp

As stated above, it is my firm belief that to induce anti-Communist revolution behind the Iron Curtain is to prevent another global holocaust. But, with the captive populations under the Communist rule so tightly controlled and effectively intimidated as they are, it would be less than realistic to anticipate such uprisings to take place entirely on their own. A program of action to provide stimulus for such revolution from without the Iron Curtain is necessary if the monstrous rule of Communism is ever to be overthrown. Such initiative on the part of the free world is not meant, nor expected, to precipitate a world war. The program, in its essence, involves only limited military action in selected areas to puncture the Iron Curtain, to provide the captive people with moral support and material aid, to render their revolt possible and to put the Communist forces on the defensive.

So far as Asia is concerned, it is axiomatic that the Communist menace cannot be uprooted without overthrowing the Chinese puppet regime. For the Communist control of the Chinese mainland

is the fountainhead of aggression in all Asia. It would be futile to attempt to prevent further Communist aggression in Asia by a policy of containment alone. In addition to intensifying the political and economic pressure on the Chinese Communist regime from all angles, the free world must seek to reduce the effectiveness of Communist internal control by creating unrest on the mainland of China. Particularly, free China must be given the opportunity to achieve a breakthrough of the Iron Curtain at the earliest possible moment. Once the forces of free China have established beachheads on the coast of the mainland, there is every possibility that the population throughout the country will rise in revolt. Caught between external pressure and internal revolt, the Communists could be forced into the most difficult position. Only thus, can their defeat be precipitated and our victory assured.

It may be argued that such a program of action would invite armed intervention by Soviet Russia, thus making a world war almost a certainty. As has been pointed out, the over-riding factor in the Russian policy today is the necessity to gain time. Until the current Five-Year Plan is substantially carried out and until its nuclear armament programs achieve a degree of success comparable or even superior to that of the United States, Soviet Russia will not and cannot involve itself in a large-scale war with the free world. Its present propaganda campaign for peaceful coexistence confirms this estimate. Even if Soviet Russia should choose to intervene in a war in China, it would confine its direct military action to north of the Yellow River as a matter of geo-political considerations.

The successful expansion of the Communist sphere of influence in Asia is attributable, among other things, to the series of limited local wars engineered by the Communists. The meaning of the lesson is clear. If Communist aggression is to be actively defeated, the free world must also be ready to use the same tactics, that is, to gain the initiative and to take the calculated risk of limited local actions. In the proposed action by the forces of free China on the southern coast of the mainland, United States logistical support would undoubtedly be called for. But that will be all. Direct participation in actual combat by United States forces is not necessary. In fact, such participation is even undesirable from free China's point of view as it would provide the Communists with material for propaganda detrimental to our cause.

The Communist regime, for the purpose of tightening its control over the mainland, is at present enforcing with full force various totalitarian programs, such as collectivization of farms, expropriation of industrial and business enterprises and the so-called reformation of intellectuals. If these programs are allowed to succeed, any vestige of private ownership of land or private enterprise would be completely

wiped out on the Chinese mainland in another three or four years and so would the remnants of what we know as liberal intellectual elements. The task of overthrowing the Communist regime would thus become much harder, though not infeasible. It is evident that the proposed scheme of action to carry the fight onto the beaches of the mainland must be put into force as early as possible, if the Chinese Communists are not to succeed, as Russia has, in reducing all human and material resources to a monolithic machine of war.

The Peiping regime is at present plagued with extreme social and economic difficulties inherent in its totalitarian programs. I feel this would be the opportune time to turn our thoughts to a plan of action. If the execution of the proposed plan is delayed too long, the probability of its bringing about a global conflict could become greater. Moreover, the prolonged period of indecision would also enable the Communists to induce and intimidate more Asian countries, especially the neutralists, into joining their camp. This would not only seriously impair the prestige of American leadership, but all what has been achieved by the United States in the cause of freedom in Asia would be completely nullified.

It is my considered opinion that the proposed measures, in spite of the limited risks involved, are in the long run the surest and safest way to defeat Communist aggression in Asia and to prevent another world war. Once the cause of freedom begins to regain ground on the Chinese mainland under the impact of a sustained action by the forces of free China, the constant Communist threat to the Republics of Korea and Vietnam will be automatically removed. The possibility of the entire Southeast Asia and even the Middle East being lost to Communist aggression would also be substantially reduced.

There are no basic differences between our two countries in our policy towards major world problems. We are bound by common interest and by our common desire for a lasting peace based on justice and freedom. The program of action I have here outlined is not intended to precipitate another world war. On the contrary, it represents my idea of how we can best deter Communist war preparation and thus prevent another world war. I am not unaware that American policy at this stage cannot entertain any proposal of action that may lead to war. As the leader of the free world, the United States is called upon to weigh matters on a global scale. But I believe that frequent exchange of views, be they divergent at times, could be most helpful and even necessary in maintaining unity of purpose and action. I have given you what may be called an Asian appraisal of the present Asian situation. While I hope you would give my views your consideration and, at the proper time, your active support, I wish to reassure you that my Government will continue to honor its commitments with reference to joint action in this area.

With my best wishes for your continued success,

Sincerely yours,

Chiang Kai-Shek ⁴

⁴ Printed from a copy which bears this typed signature.

170. Memorandum of a Conversation, Taipei, April 16, 1956 ¹

PARTICIPANTS

President Chiang Kai-shek
Madame Chiang
Foreign Minister George K. C. Yeh
Ambassador K. L. Rankin

Note: Since the visit to Taipei of the Secretary of State and his party March 16–17, 1956, I have been awaiting a suitable occasion to review once more with President Chiang the question of offensive military operations against the communist-held China Mainland. For some time the President has been considering the despatch of a letter to President Eisenhower touching on this subject, and a preliminary English translation of this letter ² was handed to me today by the Foreign Minister. The occasion seemed appropriate, and this afternoon I took an hour and a half of the President's time, including interpretation of my remarks by the Foreign Minister, to set forth some personal views.

The Foreign Minister rode with me to the President's house. I told him that I planned to talk in general terms and to avoid military details. I did not mind telling the Foreign Minister, however, that I disagreed with President Chiang's contention (in his letter to President Eisenhower) that the United States could provide the necessary logistic support for a Free Chinese landing on the Mainland without becoming directly involved in actual combat. Only if the Red Chinese forces were heavily engaged elsewhere would it seem feasible to affect any such landing in South China. Under those conditions the armies of Free China might well be able to maintain an important beachhead, at least. But they would require very large scale logistic support from the United States. This, in turn, would necessitate American naval and air support for convoys, landing of supplies, etc.,

¹ Source: Department of State, PPS Files: Lot 66 D 487, China. Confidential. Drafted by Rankin.

² *Supra*.

etc. It would tax to the limit the present resources of our Navy and Air Force in the Pacific. And these forces would almost inevitably be involved in combat with the Red Chinese Air Force within the first 24 hours. However, I saw no purpose in arguing this point with President Chiang. As to direct Soviet participation under such circumstances, he probably was right in considering it unlikely. But the Soviets had various ways of giving indirect assistance, as we well knew.

After the usual pleasantries, President Chiang asked about our Chiefs of Mission Conference in Tokyo and my most recent call on the Governor of Hong Kong. I replied in general terms and then referred to the translation of his letter to President Eisenhower which I had just seen.

I remarked that I agreed with nearly everything he said in his letter. There was one point, however, with which I believed President Eisenhower would take issue. This was the rather urgent proposal that Free China be assisted in establishing beachheads on the Mainland before Chinese Communist strength could be fully consolidated. I noted that statements had been made from time to time that the United States would never undertake or support offensive war. "Never" is a long time and these statements tended to over-simplify, but a fair picture of what the United States would do, under given circumstances, could be obtained by referring to history.

Emphasizing that my remarks would represent simply a personal interpretation, I said that the present world situation was somewhat like that obtaining prior to America's entry into World Wars I and II. In 1916 peace sentiment in the United States was very strong, and Woodrow Wilson was reelected to "keep us out of war". Yet a few months later we declared war on Germany and took offensive action. What had happened in the meantime? Unrestricted submarine warfare was the immediate factor, particularly in its effect on American public opinion. But on some unspecified date President Wilson evidently decided that the United States could not permit the Western Allies to go down in defeat. This was not simply altruistic but a practical realization of our own danger.

The United States presumably could have postponed its entry into World War I for some time—perhaps indefinitely—by appeasement in one form or another. When it seemed that the Allies were liable to lose, however, Wilson determined to force the issue by taking a strong line, knowing full well that this probably would bring us into war. German actions brought American public opinion behind the President and war was declared in April 1917.

I recalled the years immediately preceding World War II. One day I was lunching at the Capitol with Senators Connally and Pope. The neutrality legislation was being discussed, and Connally was

questioning the wisdom of it. Pope seemed equally uncertain of its value as a means of avoiding war, but he emphasized that the American people wanted peace. The legislation in question was intended to keep us out of war; therefore he favored it. President Roosevelt's statements to the effect that no American boys would be sent to fight overseas were a further reflection of American opinion not long afterward.

The fall of France in the spring of 1940 was a great shock to the United States. Perhaps at this time Roosevelt decided, as Wilson had done before him, that the Western Allies faced ultimate defeat without our active participation in the war, and that in our own best interest we could not permit them to be lost. He also determined to force the issue by adopting a strong policy, both against Germany and its partner in crime, Japan. Again, the United States undoubtedly could have bought peace for itself, with appeasement, for an indefinite further period of time. We refused to do this, and our firm policy brought the Japanese bombing of Pearl Harbor. American public opinion was already largely in support of President Roosevelt and this sneak attack made it all but unanimous.

I had remarked earlier that the present world situation was somewhat like that in 1916-1917 and in 1940-1941. But I would mention three significant differences. First, there was today no large scale fighting in progress. Second, there was the existence of nuclear weapons, which probably served as a deterrent to any country which might consider starting an open conflict. Third, the United States today had great military strength to back up its firm policy of opposition to aggressors—something which had been notably lacking prior to World Wars I and II.

It was possible, of course, that a situation would develop in which President Eisenhower might come to a decision like those eventually arrived at by President Wilson and President Roosevelt: to force the issue with the enemy to an extent liable to bring the United States into war. First, he would have to decide that this was necessary. Second, he would have to obtain the support of American public opinion for such a policy. As matters stood today, I believed that President Eisenhower felt there was a reasonable chance to win the cold war without becoming involved in another hot one. I hoped so too. It seemed to me that the chances of avoiding at least a small-scale war in the Far East were no better than 50-50, but even that prospect made it worth while to exert our best efforts in the interest of preserving peace. With present American military strength to support a firm policy, there was at least a possibility of forcing the enemy to back down without fighting a war. We must try it in any case.

Coming back to the problems of Free China, I assured the President that we understood and sympathized with the objective of liberating his country from the Red yoke. We realized that this was a precept for Free China; for us it was at least an aspiration. For him it was an essential article of political faith which we could not ask him to give up. But, under present circumstances, it would be no less difficult for President Eisenhower to support offensive action against Mainland China than for him (President Chiang) to disavow his aim to restore China's freedom.

At this point the President assured me that he did not intend to take offensive action against the mainland except under favorable circumstances. He was simply proposing that President Eisenhower consider the matter. In the election campaign of 1952 much had been said about liberating the countries which had been conquered by the communists. After President Eisenhower's reelection this year would be a good time to review the question, President Chiang observed. I remarked that it was one thing to favor and hope for liberation and another to bring it about. I felt sure that President Eisenhower shared his desire to see China liberated. But under present conditions perhaps "active containment" or "competitive coexistence" would be about the best we could do.

I went on by saying it seemed to me that we were coming along rather well here in Free China. If our Congress appropriated what had been requested for FY 57, sufficient funds would be available to complete the initial equipment of the Chinese Armed Forces as foreseen in 1950-51. But actual deliveries would take at least two years, during which the effectiveness of the forces would increase greatly. On the economic side much progress was being made. For example, in a comparatively short time the chemical fertilizer industry, which we had been helping, would be producing sufficiently to save US \$20 million yearly in foreign exchange. Military and economic strength provided the base for free China's political program. The President occupied a unique position as the unrivaled leader of all anti-communist Chinese. Whether the future offered war or peace, the practical preparations were the same: building Free China's military, economic and political strength. I thought that the next couple of years would offer great opportunities, of which we should be prepared to take advantage when they arose. To succeed, Free China must be ready to swim with the tide when it is favorable.

Note: After taking our leave of President Chiang, Foreign Minister Yeh complimented me on my presentation and indicated full agreement with my views. He also invited my attention to a sentence in the last paragraph of the President's letter, which had been inserted at his suggestion, assuring President Eisenhower that he would continue to abide by the commitment to joint action.

171. Telegram From Ambassador U. Alexis Johnson to the Department of State ¹

Geneva, April 19, 1956—2 p.m.

1797. 1. One hour 40-minute meeting this morning. After Wang refused my invitation to open, I opened with prepared statement making points contained paragraph 2 Department telegram 1892 ² and at end presenting second revision December 21 counter-proposal.

¹ Source: Department of State, Central Files, 611.93/4-1956. Confidential; Limit Distribution.

² Telegram 1892 to Geneva, April 16, provided Departmental guidance for the April 19 meeting. In paragraph 2, Johnson was given discretion to introduce a new draft of the proposed agreed announcement on mutual renunciation of force. In doing so, Johnson was instructed to stress that an effort had been made to retain as much as possible of the draft proposed by the Chinese in December. The draft which Johnson was authorized to introduce was entitled "Second US Revision of Chinese Communist December 1 Counterproposal" and reads:

"1. Ambassador Wang Ping-nan, on behalf of the Government of the People's Republic of China, and Ambassador U. Alexis Johnson, on behalf of the Government of the United States of America, agree, without prejudice to the pursuit by each side of its policies by peaceful means or its inherent right of individual or collective self-defense, to announce:

"2. The People's Republic of China and the United States of America are determined that they should settle disputes between their two countries through peaceful negotiations without resorting to the threat or use of force in the Taiwan area or elsewhere;

"3. The two Ambassadors should continue their talks to seek practical and feasible means for the realization of this common desire."

According to letter No. 37 from McConaughy to Johnson, April 6, the revised draft was prepared by Legal Adviser Phleger, and approved by Dulles on April 4 during a review of recent developments at Geneva. Johnson, commenting on the draft in telegram 426 from Prague, April 5, proposed the deletion of the phrase "to the pursuit by each side of its policies by peaceful means" from paragraph 1 of the draft. He also noted that the phrase "individual and collective self-defense" had become a red flag to the Chinese, and he added that the Chinese would probably continue to be unwilling to accept such language. McConaughy wrote back in letter No. 38, April 13, that the Department had considered his comments but preferred to leave the draft as formulated:

"Judge Phleger in particular believes it is important to leave in the reference to the right of pursuit of policies by peaceful means, in order to undermine Wang's argument that we would trick him into accepting the status quo. Judge Phleger also thinks that it is very important from a psychological standpoint to adhere as closely as possible to the wording of the Communist draft. This will give more substance to our contention that we are going a long way to meet Wang's proposition and that our limited amendments of his draft should not make the document unacceptable to him. We are willing to accept slightly less desirable wording in paragraph two in order to preserve this position. Mr. Robertson concurred strongly with Judge Phleger on these points.

"The feeling was unanimous that we could not possibly consider doing away with the specific reference to the right of individual and collective self defense. This seems to us a cardinal point, and the cession of the point could undermine the foundations of the protective commitment we seek. Our misgivings on this score assume redoubled force in the light of the importance we have attached to this provision in the discussions to date. If we abandon this phrase now after an issue has been made of it, great significance would inevitably be read into our action, with possibly dangerous conse-

Continued

2. After 15-minute recess requested by Wang he made "preliminary" remarks characterizing draft as changed in form but content same. Did not feel that it represented any new progress. Made three points:

(a) Their position self-defense clause should be deleted not repositioned.

(b) Taiwan area reference not in context Foreign Ministers meeting as per October 27 draft.

(c) Present Taiwan area reference confuses international and domestic issues to which they are "persistently opposed". However, will "study draft as a whole" and comment detail next meeting. In order avoid freezing positions I refrained from extensive rebuttal and urged careful study of draft which I felt fully met both points of view.³

3. I then made statement on implementation in accordance paragraph 1 Department telegram 1892.⁴ He replied along similar lines. In meeting today slight reference our failure account for Chinese prisoners, and asserting announcement covered all nationals both countries and not just Chinese students, he gave me no new names. Kanady medical records being transmitted through Red Cross but records on Bradshaw not available as she obtained medical care on own outside of prison. Charged we using alleged insufficiency information on Yuan Jui'-Hsiang as "pretext" to avoid accounting on all 49 his names.

4. Next meeting Thursday April 26.

5. Proceeding Prague tomorrow morning, returning Tuesday.

[Johnson]

quences." (Telegrams 1892 to Geneva and 426 from Prague are *ibid.*, 611.93/4-1656 and 611.93/4-556, respectively. McConaughy's letters to Johnson are *ibid.*, Geneva Talks Files: Lot 72 D 415, Geneva—Correspondence Re US-PRC, 1955-1956)

³ In his expanded comments on the meeting in telegram 1799 from Geneva, April 19, Johnson noted: "Wang's reactions to our second revision draft about as expected and probably will forecast line he will take at the next meeting." (*Ibid.*, Central Files, 611.93/4-1956)

⁴ In paragraph 1 of telegram 1892 to Geneva, Johnson was instructed to "go over usual ground once more on implementation Agreed Announcement". He was instructed to deplore the long delay in full implementation of the September 10 announcement, and to note, in contrast, that at least 130 Chinese had traveled from the United States to mainland China since the talks began.

172. Telegram From Ambassador U. Alexis Johnson to the Department of State ¹

Geneva, April 26, 1956—3 p.m.

1818. 1. One hour 45 minute meeting this morning. Wang opened with a bare and flat complete rejection April 19 draft. ² Gave no sign whatever any willingness compromise language nor of intent offer alternative formulation.

2. Made following points in presentation:

(a) Requires PRC recognize status quo Taiwan area and GRC treaty;

(b) If peaceful pursuit policy by both sides to be countenanced, including "US policy occupation Taiwan" what purpose served by peaceful negotiations?

(c) Mixes international dispute and domestic matter; and

(d) Failure couple Taiwan with FMC.

3. In rebuttal I made points contained paras 1 and 3 Deptel 1912, ³ avoiding any invitation to Wang to produce new alternative. At close of considerable give and take in reply his statement our draft had not met their objections I stated their objections appeared to have two aspects. First was whether draft prejudiced their position and second whether declaration was to constitute unqualified renunciation of force all our disputes including dispute Taiwan area. Satisfied my draft fully met all objections based on first aspect. However, with regard second aspect, if PRC purpose is to retain ability use threat initiate force Taiwan area, I agreed draft does not meet PRC position and US never would meet that position. To do so would be complete perversion of whole purpose of declaration. Wang made no direct reply.

4. I made very strong statement on implementation along lines para 4 Deptel 1912. ⁴ Wang replied along usual lines stressing "grow-

¹ Source: Department of State, Central Files, 611.93/4-2656. Confidential; Priority. Transmitted without a signature.

² See footnote 2, *supra*.

³ In paragraphs 1 and 3 of guidance telegram 1912 to Geneva, April 24, Johnson was instructed to press Wang to accept the April 19 draft declaration on renunciation of force. From the point of view of the Department, the draft "fulfills every essential requirement of the situation for each side", and "represents serious attempt on US part to arrive at a formulation which would take into account the views of Wang's side concerning form as well as substance". Johnson was instructed to stress that "any conceivable objection to our draft can only be based on unwillingness to accept fully principle of non-resort to force". (Department of State, Central Files, 611.93/4-2456)

⁴ Paragraphs 4 and 5 of telegram 1912 dealt with implementation of the September 10 Agreed Announcement. Johnson was instructed to add a "heightened note of insistence" to his presentation, noting the growing sense of outrage in both Houses of Congress over the Chinese failure to implement the agreement, and emphatically rejecting any allegations that Chinese were being obstructed from leaving the United States.

ing dissatisfaction Chinese people" with US implementation and during the exchange, in which I made points contained para 5 Deptel 1912 stressing Indian Embassy has not brought our attention single case obstruction he challenged me formally to state that "not single Chinese now imprisoned in US".

5. Agreed Wang's proposal next meeting Saturday May 5. Departing for Prague Friday morning.

[Johnson]

173. **Telegram From the Ambassador in the Republic of China (Rankin) to the Department of State**¹

Taipei, May 4, 1956—3 p.m.

978. Series of telegrams past week between Far East Air Force, Taiwan Defense Command, CINCPAC and CNO, indicated Department Air Force contemplates deployment 1 flight Matador missiles on Taiwan. Flights to be rotated from Matador squadron to be stationed Japan February 1957.

Appears plan will include stationing 20 officers 240 airmen Taiwan and will require construction semi-permanent installations at or near one or more airfields. Land will be required for launching sites, motor pools, assembly and storage areas. No indication in telegrams of how these projects to be financed.

Although USAF seems anxious to station Matador flight on Taiwan and announce fact before discussing deployment squadron in Japan with Japanese Government, they are withholding further planning this end pending consultation with State Department. Following comments submitted for Department's use:

1. I believe Chinese would welcome this addition to Taiwan arsenal;
2. Presence this unit on Taiwan would have substantial psychological value as deterrent to Communist invasion plans;
3. Matadors would provide effective means counter-attack mainland airfields in event of Communist strikes on Taiwan;
4. I urged careful advance planning on land and building requirements and funding for permanent sites for this project;
5. I understand rotated squadrons will be attached to 13th ATF now on Taiwan and that initial (temporary) deployment can be effected without substantially increasing requirements for land or buildings. In connection with permanent plans for procuring and fi-

¹ Source: Department of State, Central Files, 711.56393/5-456. Top Secret. Sent to the Department with an instruction to pass to FEAF for information.

nancing land, buildings and housing, since this will apparently be solely US project, recommend Defense be prepared supply all necessary funds.

Rankin

174. Telegram From Ambassador U. Alexis Johnson to the Department of State ¹

Geneva, May 11, 1956—2 p.m.

1870. 1. Wang opened this morning's meeting by presentation draft ² previously transmitted Dept together with relatively brief statement which did nothing to clarify its obvious ambiguities.

2. I avoided any specific comment and asked series of questions designed to clarify its ambiguities. I specifically asked in what way draft avoided prejudicing U.S. position; whether second para. intentionally excluded disputes other than those Taiwan area; whether "two months" in last para. was intended limit validity declaration to that period; whether last para. as whole meant that FonMin conference was "only practical and feasible means"; and whether "to make specific arrangements" referred to "practical and feasible means" or to FonMin conference.

3. He avoided any direct response my first question, saying that mutual respect clause was not only "common sense" but "also" to be found in UN Charter. In reply to second question he indicated that limiting to Taiwan area dispute was deliberate because my emphasis on Taiwan area and since if settlement that most critical dispute could be effected without war other disputes would present no prob-

¹ Source: Department of State, Central Files, 611.93/5-1156. Confidential; Priority; Limit Distribution.

² The Chinese draft, as transmitted to the Department in telegram 1866, May 11, reads as follows:

"Ambassador Wang Ping-nan, on behalf of the Government of the People's Republic of China, and Ambassador U. Alexis Johnson, on behalf of the Government of the United States of America, agree, without prejudice to the principles of mutual respect for territorial integrity and sovereignty and non-interference in each other's internal affairs, to announce:

"The People's Republic of China and the United States of America are determined that they should settle disputes between their two countries in the Taiwan area through peaceful negotiations without resorting to the threat or use of force against each other;

"The two Ambassadors should continue their talks to seek and to ascertain within two months practical and feasible means for the realization of this common desire, including the holding of a Sino-American conference of the Foreign Ministers, and to make specific arrangements." (*Ibid.*)

lem. His replies to my questions on last para. were completely evasive. However, "very willing hear any ideas or suggestions" I may have.

4. At close of this phase referring to his statements on "procrastination" and our seeking "freeze" situation in Taiwan area, I pointed out talks had not made further progress because of their ambiguous position thus far on renouncing force.

5. I made statement on implementation along lines para. 3 Deptel 1943³ to which I [*he?*] replied along usual lines stressing that last December they had asked for accounting Chinese in U.S. prisons, who, I could not deny, desired return China, and we had no right inquire concerning Americans in Chinese prisons until we made such accounting.

6. Next meeting Thursday May 17.

7. Proceeding Prague Saturday returning Geneva Tuesday.

[Johnson]

³ Telegram 1943 to Geneva, May 2, provided guidance for the meeting scheduled for May 5 which was postponed until May 11 at Chinese request. Telegram 1967 to Geneva, May 9, confirmed the guidance provided in telegram 1943 as the guidance for the May 11 meeting. In paragraph 3 of telegram 1943, Johnson was instructed to note that 18 additional Chinese from the United States had crossed the border into the People's Republic of China on April 30, making a total of 148 since August 1, 1955. Johnson was instructed to contrast that record with the Chinese failure to implement the Agreed Announcement of September 10. (Telegrams 1943 and 1967 are *ibid.*, 611.93/5-2556 and 611.93/5-956, respectively.)

175. Telegram From the Secretary of State to Ambassador U. Alexis Johnson in Geneva¹

Washington, May 15, 1956—6:55 p.m.

1994. 1. Communist May 11 counterproposal² represents sharp retrogression from their December 1 counterproposal³ and is entirely unacceptable for following reasons among others:

- a. It contains no reservation of right of self-defense.
- b. Paragraph 1 amounts to recognition of sovereignty and territorial integrity of Communist China.

¹ Source: Department of State, Central Files, 611.93/5-1556. Secret; Priority; Limit Distribution. Drafted by Phleger, approved by Robertson, cleared by Clough and Sebald and in draft by Dulles.

² See footnote 2, *supra*.

³ See footnote 4, Document 110.

c. It is not an agreement to renounce force, but an agreement to settle disputes without using force.

d. It is limited to disputes in Taiwan area.

e. It is limited to renunciation of use of force against each other, and does not renounce use of force by Communists against GRC.

f. It apparently places two months' limit on ambassadors talks, requires holding of Foreign Ministers' conference, and may limit effect of announcement to two months.

2. Our analysis is that Communist proposal is by all odds shrewdest and most dangerous move to date. In effect it would amount to our recognition Communist sovereignty and territorial integrity, leave Communists free to attack GRC whenever they wished with US barred from use of force to assist defense and would obligate us to agree within two months to hold Foreign Ministers' conference.

3. Tactics in handling this proposal should be directed toward indicating that draft unacceptable and long step backward from their December 1 draft. You should try and lead back to our April 19 second revision ⁴ as basis for discussion, pointing out that it covers all legitimate requirements of situation, preserving rights of two sides, renouncing use of force, and providing for discussions to settle outstanding differences. Every effort must be made to prevent Wang's proposal from being used as basis for discussion.

4. We should be careful that while rejecting Communist proposal we do so in such a way as not to furnish grounds for break, and your manner of use of material in first paragraph should be dictated by this requirement. We think best tactic if possible is to get back to discussion US April 19 revision and why no grounds exist for Communists' refusal accept.

5. From discussion last meetings it would appear that Wang has taken position all prisoners both US and Chinese are covered by Agreed Announcement, but that Communists are not living up to their agreement because US not releasing Chinese prisoners. Attempt to get Wang to reiterate this position. FYI We have ascertained that only 42 Chinese aliens in all US prisons, and while we have no final word as yet, it may be possible in relatively short time to make arrangements for deportation of Chinese prisoners if release US prisoners can be thereby obtained or facilitated. End FYI.

6. You should again call for release of US prisoners and Communist implementation Agreed Announcement pointing out their failure thus far has made it difficult to make further progress in talks.

Dulles

⁴ See footnote 2, Document 171.

176. Telegram From Ambassador U. Alexis Johnson to the Department of State ¹

Geneva, May 17, 1956—noon.

1895. 1. Two hour meeting this morning which I opened with prepared statement making generalized attack on his May 11 draft. I pointed to complete lack "accommodation" our position and characterized draft as retrogression from not only our draft of April 19 but also his draft Dec 1. Closed by urging consideration April 19 draft making points contained para 3 Deptel 1994. ²

2. In give and take he repeated points made last meeting and made concerted effort to draw me into specific discussion particularly on first para May 11 draft, closing by hope I would have detailed comments next meeting. In course this discussion Wang in referring to "peaceful aspirations" PRC stated "will not tolerate present situation (in Taiwan JRE [area?]) for long without applying solution" and if US sincere can it "desire these talks drag on indefinitely"?

3. During give and take I avoided specific discussion details May 11 draft focusing on their unwillingness renounce FMC [force?] Taiwan area and continually urging April 19 draft as unobjectionable statement if they accepted this principle. ³ Characterized May 11 draft as nothing more than their original position FMC on Taiwan area while they preserved option use force there. Said US never would accept this position. Urged they reconsider their position by next meeting.

4. Reply my statement again calling for release 13 he said hoped I would be able give him information on Chinese prisoners in US, "this was undertaken by US in agreed announcement".

5. Next meeting Thursday May 24.

6. Proceeding Prague Friday morning, returning Tuesday or Wednesday.

[Johnson]

¹ Source: Department of State, Central Files, 611.93/5-1756. Confidential; Priority; Limit Distribution.

² *Supra*.

³ In his expanded comments on the meeting in telegram 1902 from Geneva, May 17, Johnson stated that he "deliberately avoided specific comment on details his draft and did not as such mention either self-defense or mutual respect clauses in effort avoid traps May 11 draft and keep issue focused on major point their unwillingness renounce force in Taiwan area as set forth our April 19 draft." Johnson noted that this tactic would probably be effective in the short run, but it tended to sharpen the basic issue and might reduce the freedom of maneuver which the United States needed to keep the talks going. (Department of State, Central Files, 611.93/5-1756)

177. Letter From President Eisenhower to President Chiang Kai-shek ¹

Washington, May 17, 1956.

DEAR MR. PRESIDENT: I am indeed grateful for your solicitude and your warm remarks concerning my health, which prefaced your letter of April 16th. ² Secretary of State Dulles has told me of the cordial hospitality which you so generously showed him on his recent visit. I was glad to hear from him that you are well and in good spirits.

I have studied your thoughtful analysis of the world situation contained in your letter. In this period of change and ferment in the Far East, it is very helpful to have the candid views of Asian leaders, particularly those of our staunch allies in the struggle against Communist aggression. As you know from your recent conversations with Secretary Dulles, there are many points at which our views coincide with yours.

Your Government has a unique role in Asia as the only government which can contest with the Chinese Communists the allegiance of the Chinese people, both those on the mainland and overseas. The American people recognize the importance of that role and have contributed in various ways to assure that the Government of the Republic of China remains strong and independent. I am convinced that the opportunity may arise for your Government to provide leadership to people on the China mainland seeking to free themselves from the yoke of Communism. In the meantime, I feel sure that the close and fruitful cooperation of the past few years between our two Governments will continue. You can rely upon my intention to do what I appropriately can to safeguard the international position of your Government and ensure that it remains economically and militarily strong.

I do not believe it would be in the best interests of our two countries to espouse the use of force to solve the difficult problem of Communist control of the China mainland. We do not consider that to invoke military force is an appropriate means of freeing Communist-dominated peoples and we are opposed to initiating action which might expose the world to a conflagration which could spread beyond control.

¹ Source: Eisenhower Library, Whitman File, International Series. Transmitted to the Embassy in Taipei for delivery to President Chiang Kai-shek in telegram 693, May 18. Drafting information on the file copy of the telegram indicates that it was drafted by Eugene McAuliffe, Chief of the Reports and Operations Staff of the Executive Secretariat, cleared in FE by Robertson, and approved by President Eisenhower. (Department of State, Central Files, 711.11-El/5-1856)

² Document 169.

I have been greatly encouraged by the growing strength of the Free World. The shift in Communist tactics which this has brought about must be met with carefully planned actions, vigorously applied. If we preserve our faith in the ideals of freedom and apply ourselves with energy and fortitude, I am confident we can surmount the challenge implicit in the new Soviet posture.

Sincerely, ³

³ Printed from an unsigned copy.

178. Circular Telegram From the Secretary of State to Certain Diplomatic Missions ¹

Washington, May 17, 1956—8:02 p.m.

798. Department gravely concerned over Egyptian recognition ² Chinese Communists. Except for Nepal Egypt only country to recognize Communist China since Korean War began in 1950. Department fears this may prompt similar action other countries in area and elsewhere. U.S. national interest requires we make determined effort forestall such development. Therefore you should take appropriate opportunity impress government to which you accredited of U.S. serious concern this development particularly if you know or suspect government considering such step. You may wish use any or all of following in your presentation:

1. Chinese Communists have been branded aggressors by UN, have maintained troops in Korea in defiance UN, have introduced large numbers jet aircraft into North Korea in violation Korean armistice agreement and have continued support of Viet Minh, resulting in doubling their forces since 1954 armistice.

2. Chinese Communists have long record inhumane acts, have jailed scores foreign nationals and have refused honor specific Sept. 10, 1955 commitment release imprisoned Americans.

3. United States policy is to assist free nations of Far East to preserve their independence in face of Chinese Communist military and subversive threat. U.S. believes all free world nations share common

¹ Source: Department of State, Central Files, 793.02/5-1756. Confidential. Drafted in CA by Kahmann; approved by Clough; cleared by William C. Burdett, Deputy Director of the Office of Near Eastern Affairs; and by William M. Rountree, Deputy Assistant Secretary of State for Near Eastern, South Asian, and African Affairs. Sent to Amman, Beirut, Damascus, Jidda, Baghdad, Khartoum, and Tripoli. Repeated for information to Paris and London.

² On May 16, the Government of Egypt announced that it intended to recognize the People's Republic of China. (Telegram 2276 from Cairo, May 17; *ibid.*)

interest halting further Communist expansion and hopes free world nations will cooperate in upholding international position of Government Republic of China (GRC) and avoiding actions which add to prestige and influence of Chinese Communists.

4. GRC ably represents China in UN and Security Council and has lived up to her international commitments. GRC supports free world objectives in Far East and helps prevent Communist bloc increase its influence.

5. GRC recognized by 44 countries, has strongest support United States as only legitimate government of China. Change from recognition GRC to recognition Chinese Communists would have adverse effect U.S. official and private opinion.

6. Support of GRC strengthens its usefulness to free world as political and ideological challenge to Communism. Militarily GRC maintains one of most significant concentrations anti-Communist military strength in Far East.

Dulles

179. Memorandum of Discussion at the 285th Meeting of the National Security Council, Washington, May 17, 1956 ¹

Present at the 285th Council meeting were the President of the United States, presiding; the Vice President of the United States; the Secretary of State; the Secretary of Defense; and the Director, Office of Defense Mobilization. Also present were the Secretary of the Treasury; the Attorney General (for Items 3 and 4); the Director, Bureau of the Budget; the Special Assistant to the President for Disarmament; the Special Assistant to the President for Atomic Energy; the Director, International Cooperation Administration; the Director, U.S. Information Agency; the Under Secretary of State; Assistant Secretary of State Bowie; the Chairman, Joint Chiefs of Staff; the Director of Central Intelligence; the Assistant to the President; Special Assistants to the President Anderson, Jackson and Dodge; the White House Staff Secretary; the Executive Secretary, NSC; and the Deputy Executive Secretary, NSC.

There follows a summary of the discussion at the meeting and the main points taken.

1. Significant World Developments Affecting U.S. Security

The Director of Central Intelligence first commented on Egyptian recognition of Communist China. He pointed out that this step had

¹ Source: Eisenhower Library, Whitman File, NSC Records. Top Secret. Drafted by Gleason on May 18.

been preceded by a lengthy series of diplomatic negotiations on the part of Communist China which had previously resulted in the setting up of Chinese Communist trade and cultural missions which virtually constituted a diplomatic establishment in Cairo. Mr. Dulles added that Egypt was the first Middle Eastern state to recognize the Peiping regime and, with the exception of Nepal, the only state which had recognized Communist China since 1950. He predicted that the Egyptian action would influence other Middle Eastern states, especially Syria. The Chinese National Government had already announced that it would break relations with Egypt as of today.

[Here follows a continuation of the intelligence briefing by the Director of Central Intelligence during which he discussed the situation in Morocco, gave an assessment of an announced cut in the level of Soviet forces, and discussed the effect of the Soviet de-Stalinization campaign.]

Mr. Allen Dulles pointed out that the Chinese Communists were pushing very hard to complete the new railways to the ports of Amoy and Foochow. To judge from photographic intelligence and other intelligence materials, the railways would be completed by the end of the current year. It was difficult to explain the Chinese drive to complete these railroads except in terms of their determination to open up the port of Amoy. Obviously this port could not be used while Quemoy remained in the hands of the Nationalists. This was a situation which we should ponder.

Secretary Dulles commented that, at the last session in the continuing Geneva meetings at the Ambassadorial level, the Chinese Communists had submitted to Ambassador Johnson a new draft statement² on the renunciation of force in the Taiwan area. In an obscure way this new draft statement had suggested a time limit for these Geneva meetings. Secretary Dulles thought that this might indicate the possibility of a renewed crisis in the Taiwan area this autumn. Mr. Allen Dulles commented that such reasoning fitted into the railroad-building activities he had just been describing. Admiral Radford pointed out that the series of Chinese Communist airfields being built opposite the Taiwan area would be completed by June of this year.

Secretary Humphrey said he rather hated to make the suggestion, but should not the United States take advantage of the current lull in the Taiwan area to get out of the offshore islands?

[Here follows the conclusion of Dulles' intelligence briefing with a discussion of the situation in Afghanistan. There follows discussion on items 2, "United States Policy Toward South Asia", 3, "Security Requirements for Government Employment", 4, "United States

² See footnote 2, Document 174.

Policy on Soviet and Satellite Defections", 5, "U.S. Policy on Turkey", 6, "Review of Military Assistance and Supporting Programs" and 7, "Response to Soviet Announcement of Projected Reduction in Armed Force Levels".]

8. *Chinese Nationalist Offshore Islands* (NSC 5503;³ NSC Action No. 1312⁴)

In the course of the discussion of the previous item, the President announced that he wished at the next meeting of the National Security Council to hear precisely what this Government was going to say and to do if the Chinese Communists attacked the off-shore islands. Pointing out that previous Council action on this problem had involved the members of the Council flying out to Denver, the President asked that this time the Council be ahead of the mark.

Secretary Dulles said that he had no objection to discussing this matter, but after all, we did have a clear policy to meet this contingency, and he believed that there were more important matters for the Council to discuss.

Admiral Radford observed that in recent months the defenses of these islands had been so greatly strengthened that he now doubted whether the Chinese Communists wanted to mount an attack on Quemoy and the Matsus. Moreover, he continued, the Chinese Communists could not mount such an attack on the offshore islands without attacking at least some bases on Taiwan itself. In short, he believed that the Congressional resolution⁵ had frightened off the Chinese Communists. He predicted that the offshore islands would be very tough nuts to crack.

Secretary Dulles expressed great doubt as to whether, in any future attack, the Chinese Communists could or would differentiate the offshore islands from Taiwan itself. Accordingly we must assume that the Chinese Communists could not attack the offshore islands without a belief, or at least a fear, that the United States would intervene. The President added that he wanted the report he had just asked for to contain a precise statement as to the whereabouts and activities of the U.S. Seventh Fleet.

*The National Security Council:*⁶

Noted the President's request that the current policy as to what the United States would say and do in the event of an attack by the Chinese Communists on the Chinese Nationalist offshore islands, be brought to the Council's attention at the next NSC meeting.

³ See vol. II, Document 12.

⁴ See *ibid.*, Document 26, footnote 12.

⁵ Dated January 29, 1955; see *ibid.*, Document 56.

⁶ The following sentence constitutes NSC Action No. 1562, the record copy of which is in Department of State, S/S-NSC (Miscellaneous) Files: Lot 66 D 95.

[Here follows discussion on item 9, "Proposed Aerial Demonstration over Washington on Armed Forces Day".]

S. Everett Gleason

180. Telegram From Ambassador U. Alexis Johnson to the Department of State ¹

Geneva, May 24, 1956—3 p.m.

1925. 1. Two hour 25 minute meeting this morning. Wang opened with prepared statement again rejecting April 19 draft and advocating May 11 draft para by para. Said "mutual respect" clause replaces "self-defense clause which embodies ulterior motive" to justify continued US seizure Taiwan and interference in liberation off-shore islands. Second para was "more conspicuous" accommodation to our views by making it specific that peaceful settlement of disputes without threat of force applies to Taiwan area. With respect to "elsewhere" are there any "real and not imaginary other disputes which finds China and US facing each other as parties international dispute?" With respect third para should be acceptable as I had not opposed holding FonMin conference and I had said this [*that?*] US not desirous perpetuate danger in Taiwan area. "Must two of us sit here and go on talking without an end? PRC cannot be left without assurance FonMin meeting if Taiwan area to be mentioned."

2. In reply I impliedly characterized their May 11 draft as willingness renounce force for two months; as willingness renounce force only on condition FonMin meeting; as willingness renounce force only on condition disputes settled entirely on their terms on failure which they held selves free renew threat of force. Also referred back his statement at last meeting on preparations by PRC for use of force characterizing it as shocking and disturbing and not only no advance from PRC position prior these talks but even retrogression from position taken by Chou at Bandung. ² Concentrating on last para said

¹ Source: Department of State, Central Files, 611.93/5-3156. Confidential; Priority; Limit Distribution.

² In letter No. 43 to Johnson, May 21, McCaughy summarized the Department's view of the Chinese May 11 draft: "we consider Wang's new draft a retrogression from his December 1 draft and extremely dangerous. Judge Phleger is of the opinion that the Communists now realize that they came within an ace of agreeing to a formula that would have tied their hands. They are now taking care to protect themselves more fully." (*Ibid.*, Geneva Talks Files: Lot 72 D 415, Geneva—Correspondence Re US-PRC, 1955-1956)

mention two months there contained definite implication resort to force if no agreement reached in that period and this contradictory with profession desire for peaceful negotiations. Expressed regret he had not this morning or previously clarified this contradiction.

3. There was then long and diffuse give-and-take during which I characterized fundamental issue as their unwillingness unconditional-ly and without time limit renounce force and he characterized fundamental issue as US use of force in occupation Taiwan. I refuted latter allegation with strong restatement our position. Also came back to our April 19 draft as clearest expression renunciation force in form meeting both points view. He attempted interpret my concentration on "two months" last para as indicating acceptance other two paras and repeatedly tried needle me into specifically commenting on first para.³ In context inviting me make amendments May 11 draft he implied my continued flat rejection that draft as basis discussion would "force them consider" making it public.

4. At close meeting I noted Miner's release five years after he made original application for exit and nine months after Wang told me he would be released in two or three months. Nevertheless gratified he finally released and hoped this portended early release other Americans still detained. Wang replied entirely defensively simply saying was not "entirely" PRC fault and made no mention whatever Chinese in US.

5. Next meeting Thursday May 31.

[Johnson]

³ In guidance telegram 2023 to Geneva, May 22, Johnson was instructed to avoid being drawn into specific comment on the May 11 draft. He was instructed to be particularly careful to avoid comment on paragraph one of the May 11 draft, but to probe into the meaning of the 2-month limitation in paragraph three. (*Ibid.*, Central Files, 611.93/5-2256)

McConaughy explained the Department's desire to avoid comment on the May 11 draft in the letter to Johnson cited in footnote 2 above:

"It is noteworthy that the Communists worked into the first paragraph of their new draft two of their five "principles of peaceful coexistence" which have formed the basis of joint declarations with India, Burma and other states. Judging from Wang's efforts at the last meeting to get you to comment on this paragraph, they are hoping to demonstrate that we reject these principles and thus harbor the intention of interfering in their internal affairs and encroaching on their territorial integrity. This would strengthen their position vis-à-vis the neutralist states. Of course, we cannot accept paragraph one without, in effect, recognizing the PRC. It was for this reason that we asked you to try to get back to our April 19 draft as a basis for discussion, rather than comment in detail on the Communist draft."

181. Telegram From Ambassador U. Alexis Johnson to the Department of State ¹*Geneva, May 31, 1956—1 p.m.*

1958. 1. Two hour 20 min meeting this morning. Balancing all considerations decided best to open on renunciation which I did, making points para 4 Deptel 2067, ² mentioning however that I had information for him on first item and therefore would make my discussion renunciation brief.

2. Give-and-take generally followed previous lines except that he pressed harder for specific detailed comments and invited textual amendments. "If two months period not enough time what period would be enough?" While he avoided explicit threat go public he renewed stalling charge in context world opinion being disappointed by failure these talks produce results.

3. I made statement on Chinese prisoners along lines paras one and two Deptel 2067 ³ except that I did not explicitly inform him no publicity was being given to decision. In context meeting I felt it probably more productive leave him guess on this. In any event probably more effective if they learn this through Indians. ⁴

¹ Source: Department of State, Central Files, 611.93/5-3156. Confidential; Priority; Limit Distribution.

² In paragraph 4 of guidance telegram 2067 to Geneva, May 29, Johnson was instructed to reiterate the reasons why the Chinese draft of May 11 was considered to be a retrograde step by the Department, and was therefore unacceptable. (*Ibid.*, 611.93/5-2956)

³ Paragraphs 1 and 2 of telegram 2067 to Geneva read as follows:

"1. Inform Wang that in order remove any vestige basis for Wang's claim that US has not performed under Agreed Announcement because Chinese prisoners not free leave US each Chinese alien criminal in Federal or State penitentiary in US being informed of Agreed Announcement and is specifically being told that if he desires do so he may apply for immediate voluntary deportation to mainland. Indian Embassy being informed that arrangements being made for its representatives interview each imprisoned criminal of Chinese nationality to ascertain to Embassy's satisfaction whether individual desires release for immediate return mainland China. US will take prompt action upon any application by such Chinese criminals for immediate deportation.

"2. Inform Wang that while Chinese alien criminals in US prisons were not included in Agreed Announcement September 10 or in discussions leading up to that Announcement and none so far as we know have expressed any wish return to Communist China, nevertheless in view of Wang's statements we have carried out careful investigation in all Federal and State prisons to identify alien Chinese imprisoned there. Extensive investigation necessary because no Chinese imprisoned on political type charges or because his race, nationality or political beliefs. They are all imprisoned for common crimes such as murder and narcotic traffic. Names and addresses all Chinese alien criminals who have been identified will be given Indian Embassy here. You may inform Wang that Indian Embassy will be informed morning May 31 Washington time but that no publicity now being given to decision."

⁴ On May 31 Assistant Secretary Robertson informed Indian Ambassador G.L. Mehta of the decision relating to Chinese aliens serving sentences in American prisons. Ambassador Mehta was given an aide-mémoire containing a list of the prisoners iden-

Continued

4. Wang had prepared statement obviously based on Higgins article⁵ and other press reports reflecting instructions to "demand" that we release all Chinese prisoners and specifically asserting they included in September 10 announcement. Although my previous presentation undercut basis for his prepared statement he nevertheless used some of it, making foregoing points. In reply to his question as to how many, I said did not have exact figure but was between 30 and 40,⁶ to which he replied this was "quite big number". I ignored his request for list of names. He renewed charge on coercing Chinese apply for permanent residence and Taiwan entry permits, adding charge that US born children Chinese students being denied exit. I immediately and categorically denied latter charge pointing out that even though American citizens children were being permitted accompany parents.

5. My statement on Chinese prisoners obviously took him by complete surprise, he had no instructions to cover possibility, and therefore confined himself to prepared material despite incongruities.⁷

6. At Wang's suggestion next meeting Friday June 8.

7. Proceeding Prague tomorrow returning Geneva Wednesday June 6.

[Johnson]

tified as alien Chinese and expressed satisfaction at the decision to allow the Indian Embassy to interview the prisoners. McConaughy informed Minister S.H. Tan of the Republic of China of the decision on the same day. Tan objected to the decision as politically motivated and inconsistent with the status of the Republic of China as the sole representative of Chinese interests in the United States. (Memoranda of Robertson's conversation with Ambassador Mehta and McConaughy's conversation with Minister Tan, both prepared by McConaughy, are in Department of State, Central Files, 211.9311/5-3156. A copy of the aide-mémoire handed to Ambassador Mehta is attached to the memorandum of conversation between Robertson and Mehta but the list of Chinese prisoners is no longer attached.)

⁵ Reference is to an article in the *New York Herald Tribune*, May 25, by Marguerite Higgins, which quoted a "high Administration source" as having stated that the Chinese had demanded the release of all Chinese prisoners held in American jails, and that this demand further impeded the release of American prisoners held in China.

⁶ According to telegram 2066 to Geneva, May 29, the total was 34. (Department of State, Central Files, 611.93/5-2556)

⁷ In telegram 1965 from Geneva, May 31, Johnson recommended that he delay any further initiative on the issue of the Chinese prisoners until the Chinese reaction to the U.S. decision could be assessed. He felt that it could take several weeks to assess the effect of the unexpected move. (*Ibid.*, 611.93/5-3156)

182. Memorandum From the Secretary's Special Assistant for Intelligence (Armstrong) ¹ to the Acting Secretary of State

Washington, May 31, 1956.

SUBJECT

NIE 100-5-56: Chinese Communist Capabilities in the Taiwan Straits Area and Probable Courses of Action Over the Next Six Months ²

On May 23, ³ in response to your recent request, the Intelligence Advisory Committee approved an estimate of Chinese Communist capabilities and probable courses of action in the Taiwan Straits.

The IAC concluded that Chinese Communist military capabilities in this area have increased substantially during the past year and that the Chinese Communists, against Nationalist opposition alone, could seize the Quemoy and Matsu groups with forces now in place or readily available in East China.

The IAC confirmed its previous estimates to the effect that, although policies of the Peiping regime remain firmly committed to the extension of control over the offshore islands, Taiwan, and the Penghus, the Chinese Communists are unlikely to attempt to seize Taiwan or the Penghus in the face of US commitments to defend those areas. The IAC also continues to believe that Communist concern over the risk of US intervention and the over-all requirements of current Bloc "peace" tactics will continue to make major attacks on Quemoy and Matsu unlikely. These considerations, however, were not viewed as ruling out the possibility of Chinese Communist efforts to seize some of the minor Nationalist-held offshore islands or of substantial harassing or probing action against major offshore islands.

The estimate concludes with the judgment that a Communist decision to break off the Geneva talks would not necessarily indicate any major change in Chinese Communist policy, and that the chances of communist attempts to seize Taiwan or the major offshore islands would not be materially affected. A break-off would, however, remove one of the restraining elements to action against one or more of the small lightly-held offshore islands.

The IAC has not yet considered the release of this estimate to any foreign countries.

¹ Source: Department of State, Central Files, 793.001/5-3156. Secret.

² A copy of NIE 100-5-56, dated May 22, is *ibid.*, INR-NIE Files.

³ According to a note on the cover sheet of NIE 100-5-56, the Intelligence Advisory Committee concurred in the estimate on May 22 rather than May 23.

183. Memorandum of Discussion at the 286th Meeting of the National Security Council, Washington, May 31, 1956¹

Present at the 286th Council meeting were the President of the United States, presiding; the Vice President of the United States; the Acting Secretary of State; the Secretary of Defense; and the Director, Office of Defense Mobilization. Also present were the Secretary of the Treasury; the Secretary of Commerce (participating in the action on Item 1); the Special Assistant to the President for Disarmament; the Director, Bureau of the Budget; the Chairman, Atomic Energy Commission (participating in the action on Item 1); the Federal Civil Defense Administrator (for Item 1); the Director, U.S. Information Agency; the Director, National Science Foundation (for Item 1); Assistant Secretary of State Bowie; Sherman Kent, Central Intelligence Agency; the Chairman, Joint Chiefs of Staff; the Director of Central Intelligence; the Assistant to the President; the Deputy Assistant to the President; Special Assistants to the President Anderson, Dodge and Jackson; the White House Staff Secretary; the Executive Secretary, NSC; and the Deputy Executive Secretary, NSC.

Also present for Item 1, giving or assisting in the presentation to the Council, were Dr. C.C. Furnas, Assistant Secretary of Defense for Research and Development; Mr. Samuel E. Clements and Mr. Richard Park, Department of Defense; Dr. Samuel Brownell, Director, Office of Education, Department of Health, Education and Welfare; Mr. Neal Caruthers, National Science Foundation.

There follows a summary of the discussion at the meeting and the main points taken.

[Here follows discussion on items 1, "Technological Superiority" and 2, "Significant World Developments Affecting U.S. Security".]

3. *U.S. Policy Toward Formosa and the Government of the Republic of China* (NSC 5503; Progress Report, dated April 11, 1956,² by OCB on NSC 5503)

*The National Security Council:*³

Noted the reference Progress Report on the subject by the Operations Coordinating Board.

¹ Source: Eisenhower Library, Whitman File, NSC Records. Top Secret. Drafted by Gleason on June 1.

² Not printed. (Department of State, OCB Files: Lot 62 D 430, Formosa, 1956-57)

³ The following sentence constitutes NSC Action No. 1568, the record copy of which is *ibid.*, S/S-NSC (Miscellaneous) Files: Lot 66 D 95.

4. *Chinese Nationalist Offshore Islands* (NSC 5503; NSC Actions Nos. 1312 and 1562) ⁴

Mr. Anderson addressed the President and said that it was his understanding that what the President desired was not a review of U.S. policy toward the offshore islands, but simply a refresher as to the content of this policy.

The President replied that this was precisely what he wanted—just a statement in ten words. Mr. Anderson said that he couldn't do it in quite so few, but would undertake to provide the essentials. He then proceeded to brief the Council on the content of U.S. policy with respect to the offshore islands (copy of brief included in the minutes of the meeting).

At the conclusion of Mr. Anderson's briefing, the President stated that this was just what he wanted.

Mr. Anderson then referred to the recent National Intelligence Estimate on "Chinese Communist Capabilities in the Taiwan Straits Area and Probable Courses of Action Over the Next Six Months" ⁵ (copy ⁶ filed in the minutes of the meeting). He then asked the Director of Central Intelligence to comment on this Estimate.

Mr. Dulles read the pertinent conclusions from the NIE, pointing out the view of the authors that an attack by the Chinese Communists on Quemoy and the Matsus was on the whole unlikely in the course of the next six months. There was a possibility that the Chinese Communists might attack less important offshore islands.

.

The National Security Council: ⁷

a. Noted a summary of current U.S. policy on the subject by the Special Assistant to the President for National Security Affairs, pursuant to NSC Action No. 1562.

b. Noted a briefing by the Director of Central Intelligence summarizing NIE 100-5-56, "Chinese Communist Capabilities in the Taiwan Straits Area and Probable Courses of Action Over the Next Six Months".

S. Everett Gleason

⁴ See footnote 6, Document 179.

⁵ Summarized in the memorandum, *supra*.

⁶ Not found.

⁷ The following paragraphs constitute NSC Action No. 1569, the record copy of which is in Department of State, S/S-NSC (Miscellaneous) Files: Lot 66 D 95.

184. Telegram From the Ambassador in the Republic of China (Rankin) to the Department of State ¹

Taipei, June 4, 1956—7 p.m.

1080. Department's 730 ² and 731 ³ (Geneva's 1928 ⁴ and Department's 2023 ⁵ not repeated to Taipei).

Upon receiving word from his Embassy in Washington of events described in reference telegrams Foreign Minister telephoned me to express grave concern and firm opposition to US action in case of 34 Chinese now in US prisons for serious crimes. He asked me to see him today.

At Foreign Office this morning Minister described shock felt by GRC at unilateral US decision to invite Indian investigation whether certain imprisoned Chinese nationals desired be sent to Red China. GRC reaction exacerbated by absence of consultation in matter affecting its interest; Chinese Embassy was simply notified of US decision 30 minutes before Indians and about same time as press. (Some indication here that AP had story before Chinese Embassy).

After our repeated statements that all Chinese in US who desired return homeland were free to do so, Foreign Minister learns for first time of 34 particular convicts (their nationals) we are holding who have not been given this option and who had been discussed with Red China earlier at Geneva (Lincoln White's May 25 statement ⁶). Yet we have repeatedly assured GRC we would not negotiate with Reds on matters affecting their rights or interests behind their backs.

Minister made important distinction between arrangement last September whereby individual Chinese in US could apply to Indian Embassy for assistance, unpalatable as that was to GRC, and present case where persons in prison would be placed involuntarily under Indian investigation. (GRC regards Indians in this case much as US

¹ Source: Department of State, Central Files, 611.93/6-456. Secret; Priority; Limited Distribution. Sent to the Department with an instruction to pass to CINCPAC.

² Telegram 730 to Taipei, May 31, repeated telegram 2066 to Geneva, May 29. Telegram 2066 outlined and discussed the Department's plans concerning the possible release of Chinese imprisoned in the United States. (The file copy of telegram 730, which shows only an instruction to repeat telegram 2066, is *ibid.*, 611.93/5-3156. A copy of telegram 2066 is *ibid.*, 611.93/5-2556.)

³ Telegram 731 to Taipei, May 31, informed the Embassy that an aide-mémoire concerning the U.S. decision on the Chinese criminals had been delivered to the Indian Embassy, and that the Chinese and British Embassies had also been informed. (*Ibid.*, 611.93/5-3156)

⁴ In telegram 1928 from Geneva, May 25, Ambassador Johnson conveyed his suggestions concerning the proposals being considered in the Department to deal with the question of the Chinese prisoners. (*Ibid.*, 611.93/5-2556)

⁵ See footnote 3, Document 180.

⁶ Not printed. (Department of State, S/PRS Files: Lot 77 D 11)

would look upon North Koreans if British should propose their investigating wishes of US prisoners in China.)

Under circumstances, Foreign Minister feels no other course open than for GRC to offer receive on Taiwan all 34 convicts. He could not agree to forcible repatriation of GRC nationals to Red China, whatever their crimes, and in Chinese eyes an Indian operation would be just that. GRC therefore offers alternative of voluntary repatriation to Taiwan, however little anxious it may be to take custody of convicts in question, on condition Indians are excluded and GRC representatives permitted to question prisoners together with US officials.

Comment: Fragmentary information available to Embassy makes comment particularly difficult but implications of case are potentially so important that I feel constrained to venture following:

1. Unclear why consultation with GRC and determination of prisoners wishes could not have preceded taking Indians, British and press into our confidence. Formula acceptable to GRC, however reluctantly, might well have been found.

2. This Embassy is on record many times re unilateral action without consultation. It is most dangerous course if we wish retain friendship confidence of Free China and maintain our ability to influence GRC policies and actions.

3. Difficult reconcile many evidences of concern over GRC morale with present action which threatens deal more serious blow at morale than anything for many months. It may be expected confirm Chinese suspicions of US dealings at Geneva and support growing assumption that basic change in US China policy is imminent.

4. Unless we are prepared to avoid further unilateral action, particularly without adequate consultation, it would be only prudent to prepare for circumstances in Free China which might bring disaster. Continuation of such actions inevitably will undermine GRC patience and our influence; in conjunction with some other serious emergency it could have gravest results at unexpected moment. Presumably less hazardous to initiate any necessary modification of US China policy in quiet period than await some crisis, perhaps precipitated by enemy, to force such change.⁷

Rankin

⁷ The Department responded in telegram 741 to Taipei, June 6, drafted by McConaughy, approved by Robertson, cleared by the Legal Adviser, and, in substance, by the Secretary. Telegram 741 begins: "Department believes your 1080 manifests degree perturbation at Chinese prisoner decision which is not warranted by circumstances." Taking up the Chinese objections, the Department noted that the Indian Embassy would not act on behalf of the People's Republic of China, but would merely help to confirm the wishes of those prisoners wishing to return to China without intimidation or undue influence. The Republic of China had regularly resisted the deportation of Chinese to Taiwan, but the Chinese Embassy had been given a list of the criminals involved and would have access to them. The United States continued to recognize the Republic of China as the sole protector of the rights of Chinese aliens in the United States, including criminals. And the Department had not given any public-

Continued

185. Telegram From Ambassador U. Alexis Johnson to the Department of State ¹

Geneva, June 8, 1956—4 p.m.

2013. 1. Two and half hours this morning, two hours of which were on implementation.

2. Wang opened with brief statement on renunciation asking for "concrete and constructive opinion" on their May 11 draft and then directly moved to long statement on implementation. Pleased we had informed Indians no obstruction would be offered to accompanied children, and had given Indians list names those imprisoned. Noted we still had failed give list all Chinese U.S. and although list given Indians was called "list all known alien Chinese prisoners" covered only 30 or 40 persons. This was far smaller than number imprisoned according their information. "cannot agree" attempt "screening" few selected Chinese so as "cover up obstruction offered return large numbers Chinese in U.S." ² With respect Chinese in prison US should take steps similarly taken by PRC with regard Americans. First release them from prison and then refrain from obstructing departure if they desire return. U.S. also thus far failed account for names given me here, and gave me list additional five names also Taiwan entry permit question [*sic*].

3. Throughout subsequent long give and take I focused on fol weaknesses his position: (a) he in effect objected to US going beyond terms agreed announcement (b) he objected to measure he had previously demanded (c) questioning reliability verification by third party of his choice (d) false implication that had already freed all Americans (e) his attempt dictate U.S. should free all alien Chinese prisoners regardless whether they desire return PRC—this entirely beyond terms of reference talks.

4. In his replies he generally side-stepped my attacks attempting to switch subject by rehashing charges on name lists, Taiwan entry permits, etc. However, when pressed, position he took in essence appeared to be that out of many Chinese in U.S. prisons, 30 or 40 spe-

ty to the prisoner decision. But the Department had an obligation to "leave no stone unturned" in the effort to obtain the release of the 13 remaining Americans imprisoned in China, and did not feel that the release of 34 essentially undesirable aliens was an undue price to pay toward that end. (*Ibid.*, Central Files, 611.93/6-456)

¹ Source: Department of State, Central Files, 611.93/6-856. Confidential; Priority; Limited Distribution.

² In his expanded comments on the meeting in telegram 2022 from Geneva, June 8, Johnson stated: "Believe extreme position Wang took indicates propaganda line they anticipate having to take if and when matter becomes public issue. Keeping in mind propaganda defeat they suffered with Korean POWs they of course see plot on our part demonstrate world that Chinese prefer American prisons (or perhaps Taiwan) to Communist China." (*Ibid.*)

cial cases had been selected who did not desire return, these would be subject to sham screening process by Indians and results would be used by U.S. to cover up continued violation agreed announcement. Also made determined effort to get me to acknowledge that we had first to "review cases" as PRC had done before releasing. I, of course, avoided this.

5. Toward end give and take I gave categorical negative replies to his renewed questions on list of Chinese in U.S., revocation requirements temporary visitors desiring prolong stay present evidence ability enter another country, release all alien Chinese prisoners without regard their desire proceed PRC, basing these upon being entirely outside terms ref our talks and provisions agreed announcement. With regard name list given me I said that all free return if they desire do so.³

6. After repeated and strong attempts by him to cut-off further discussion implementation, I made statement on renunciation again characterizing May 11 draft as intensification threat to use force rather than renunciation of force, as retrogression from Dec. 1 draft on which agreement already reached, setting time limit not only implies threat but places arbitrary time limit on these talks, U.S. does not feel time limitation should be placed either upon period which country will not resort to war nor upon period during which peaceful settlement of disputes will be sought, April 19 draft was attempt to move forward preserving areas agreement already established, and still desired move forward if he would cooperate [*sic*].

7. In reply he made brief statement expressing disappointment, renewing charges U.S. threatening PRC in Taiwan area, PRC "will not allow problem to last forever without arriving at settlement", and will not agree to U.S. attempt to freeze status quo. [*sic*] PRC felt obligation make public statement.

8. I regretted decision make public statement but willing let world judge relative merits.

9. I proposed meeting Saturday, June 16 in reply to which he asked for next meeting Thursday, June 21 "for administrative reasons".

10. If and when they issue public statement I will have promptly issued here statement here along lines recited mytel 1937⁴ without

³ Johnson was authorized, in guidance telegram 2100 to Geneva, June 6, to "refrain from taking any other initiative regarding implementation at this meeting or from linking our action with action expected of Communists on American prisoners". (*Ibid.*, 611.93/6-656)

⁴ In telegram 1937 from Geneva, May 25, Johnson recommended that the Department should be prepared for the possibility that the Chinese might make a public statement concerning the Geneva talks. In this event, Johnson proposed that he be authorized to release the texts of the April 19 and May 11 drafts along with a statement

mention any further statement from Washington. As their statement also includes implementation, I would propose not make any mention thereof my statement here but leave it to Dept make any statement this regard it would consider necessary or desirable. In general believe we should, if possible, avoid any statement on implementation at this time.

[Johnson]

explaining the inadequacies of the Chinese draft and the logic of the U.S. draft. (*Ibid.*, 611.93/5-2656) On June 12, Wang Ping-nan issued the expected statement, which quoted from the draft announcements of April 19 and May 11, and reiterated the Chinese call for a Foreign Ministers meeting within 2 months. The Department responded the same day with a press release which explained and justified the U.S. draft of April 19. The Chinese statement is summarized in the *New York Times*, June 13, 1956; the text of the statement released by the Department is printed in Department of State *Bulletin*, June 25, 1956, pp. 1070-1071.

186. Memorandum for the Files, by the Deputy Assistant Secretary of State for Far Eastern Economic Affairs (Jones) ¹

[Washington,] June 10, 1956.

SUBJECT

Paracel Islands

The duty officer telephoned me at home about 3:15 p.m., today (Sunday) regarding niact cable from Saigon (4798 ²) on the above subject. I immediately came down to the office and, through Mr. McAuliffe of S/S, contacted Mr. Hoover, who asked me to come up to his house immediately. Mr. McAuliffe, Paul Kattenburg of SEA and I gave Mr. Hoover as much information as we had on the subject, discussed alternative courses of action and raised questions which needed answering. Mr. Hoover informed us that Admiral Burke had already ordered a plane reconnaissance of the area.

¹ Source: Department of State, Central Files, 790.022/6-1056. Top Secret.

² In telegram 4798 from Saigon, June 10, the Embassy reported that the Foreign Ministry had passed along the following message received from a Vietnamese Meteorological Station on Pattle Island in the Paracels: "Chinese Communist troops have disembarked on Robert Island. The lives of all persons in danger. Request immediate evacuation." The Vietnamese Foreign Minister indicated that President Diem had instructed him to ascertain whether in case of necessity, this Chinese "aggression" would result in action under the SEATO Treaty. (*Ibid.*)

We then, at Mr. Hoover's request, joined him in a conference with the Secretary. Mr. Phleger and Mr. MacArthur were also present at the meeting at the Secretary's home.

After the situation had been outlined to him, the Secretary stated that this was a matter of greatest importance in which the United States should take prompt and effective action. In his opinion this was a probing operation by the Communists and prompt action here should be highly salutary in connection with the off-shore islands of Quemoy and Matsu. He further pointed out that the United States Government has a stake here which other members of SEATO do not have. He suggested that we might move under the SEATO treaty after talking with Congressional leaders.

Complications arising from the fact that the question of who had sovereignty over the Islands had not been settled were discussed. The Islands are claimed by the Viet Nam Government, the Government of the Republic of China on Taiwan, and the Chinese Communists. The Viet Nam claim comes down through the French but is also based on historical claims. The French have indicated their willingness to relinquish their claim in favor of Viet Nam but have taken no action legally to transfer sovereignty. The French claim itself is somewhat tenuous, resting on the assertion that sovereignty was transferred from the Chinese in 1816. Unfortunately, the French have no documentary evidence of this transfer.

The Vietnamese, however, claim that these Islands have long been Vietnamese territory, pointing out historical references as early as 1701 to these Islands as belonging to the Court of Annam. The Chinese claim is that these Islands have from time immemorial been under the jurisdiction of the Chinese Empire and have been used by Chinese fisherman.

The French have a meteorological station on Pattle Island which was established shortly after World War II and which presently is manned by six French plus Vietnamese staff.

In December 1955 or January 1956, the Communists occupied Woody Island in the Paracels, apparently for the purpose of carrying on guano operations. Whether any military installations are on the island is not known.

During the discussion, the Secretary pointed out that we might consider acting under the Japanese Treaty since the U.S. has residual responsibility over all former Japanese territories. He also expressed the tentative view that we could act unilaterally under Article VIII of the SEATO treaty.³ Various other possibilities were discussed, in-

³ Article VIII of the Southeast Asia Collective Defense Treaty, signed at Manila on September 8, 1954, defined the "treaty area" covered by the agreement as "the general area of Southeast Asia, including also the entire territories of the Asian Parties,

cluding the suggestion that we might get the Philippines to act jointly with us. The Secretary rejected the suggestion of consultation with other SEATO powers on the ground that quick action was needed and the only way to get it was for the United States to act and take the responsibility for acting.

He agreed, however, that nothing could be done until the facts has been ascertained from the reconnaissance aircraft from the Seventh Fleet and that meanwhile various possibilities for prompt and effective action should be explored.

Following the meeting, Mr. Hoover instructed me to draft a cable to Saigon asking them to keep us informed on an urgent basis and advising the Embassy for its information only that the U.S. was contemplating intervention to remove the Communists from the Islands. This was done. (Deptel 4011 to Saigon June 10⁴)

and the general area of the Southwest Pacific not including the Pacific area north of 21 degrees 30 minutes north latitude". For full text of the treaty, see 6 UST 81.

⁴ Telegram 4011 to Saigon, June 10, informed the Embassy that, although the issue was confused by conflicting claims to sovereignty over the islands, serious consideration was being given "highest levels US Government to possibility military operations clean-out Communists from area including Woody as well as Robert and Pattle if latter attacked". Further determinations were dependent upon the receipt of more definite information from naval-air reconnaissance authorized to take place early on the morning of June 11. (Department of State, Central Files, 790.022/6-1056) In telegram 4021 to Saigon, June 11, also sent to Taipei as telegram 766, the Department indicated that two alternative courses of action were being considered in Washington to effect the evacuation of the Chinese Communists from the Paracels:

"1. Available US forces in area would take direct unilateral action to force Chicom withdrawal after giving suitable warning period. Legal opinion not yet firm whether such action possible under Article 8 of SEATO Treaty or under Japanese Peace Treaty. In either event US would notify Vietnam and Chinats such action would not prejudice ultimate determination of sovereignty as between them.

"2. Endeavor obtain agreement by Chinats and Vietnam for joint action by their forces in which US forces would supply backstopping where necessary. In event such prior agreement reached assume no legal questions would arise."

The Embassies were asked to comment on the alternatives, bearing in mind the probable attitude of their respective governments and the governments of other Asian countries, the effect of the use of U.S. rather than Asian troops, and the possibility of resolving the sovereignty question by a compromise settlement between the Republic of China and the Republic of Vietnam. (*Ibid.*, 293.9322/6-1156)

187. Telegram From the Secretary of State to the Embassy in the Republic of Vietnam ¹*Washington, June 19, 1956—8:06 p.m.*

4095. 1. Taipei's 1115 ² and 1122 ³ and Saigon's 4897 ⁴ to Department, bearing on problem possible operation clean-out ChiComs on Woody Island, Paracels, and related question conflicting sovereignty claims Paracels and Spratleys, under active consideration in Department.

2. Meanwhile, Department hopes limited knowledge in area of US naval-air reconnaissance exercise conducted last week in eastern Paracels will have salutary effects. Accordingly, Taipei, Bangkok, Vientiane, Manila may inform highest officials Governments on most confidential basis of following. Upon receipt reports June 10 by GVN from its station on Pattle Island, Paracels, that ChiCom troops had been landed on nearby Robert Island, GVN informed US Government which immediately dispatched task force of two destroyers and reconnaissance planes on scene to conduct naval, air and ground reconnaissance of island June 12 and 13. Results this reconnaissance negative. Inform Foreign Ministers this information given them on strictly confidential basis to reassure them of US watchfulness over-all situation southern Pacific area.

3. If it has not done so already, Saigon authorized its discretion brief Mau ⁵ on negative results US naval-air reconnaissance Robert

¹ Source: Department of State, Central Files, 790.022/6-1856. Top Secret. Drafted in SEA by Kattenburg and approved by Robertson. Cleared in SEA by Young, in CA by McConaughy, in SPA by Cuthell, and in FE by Jones. Also sent to Taipei, Bangkok, Vientiane, and Manila. Repeated for information to Paris, London, and Hong Kong.

² In telegram 1115 from Taipei, June 15, Ambassador Rankin summarized a telegram sent by Admiral Ingersoll to CINCPAC on June 14. Rankin noted that he had concurred in the telegram. In his assessment, Ingersoll observed that "only change in Paracels past several months is some increase in Communist personnel and buildings on Woody. No troops or armament observed." Chinese activity in the Paracels was "apparently limited to guano collection on Woody with occasional visits to Robert, North and Lincoln Islands". Ingersoll concluded "under above circumstances now is not time for US to clean out Communists from Woody Island unilaterally". He added that a joint Chinese-Vietnamese effort was impracticable due to conflicting claims to the Paracels. (*Ibid.*, 793.022/6-1556)

³ In telegram 1122 from Taipei, June 19, Rankin reiterated the conclusion that no case had been made for military action to clear Woody island. He added that encouraging the Republic of China to act unilaterally to clear the Paracels "would in effect be rather more than equivalent to US statement it would oppose further Red expansion in that area". (*Ibid.*, 790.022/6-1956)

⁴ In telegram 4897 from Saigon, June 18, Ambassador Reinhardt concurred in Admiral Ingersoll's analysis of the situation in the Paracel Islands, as outlined in telegram 1115 from Taipei. Reinhardt added that unilateral action by the Republic of China to clear Woody Island would seriously strain relations between the Republic of China and the Republic of Vietnam. (*Ibid.*, 790.022/6-1856)

⁵ Vu Van Mau, Foreign Minister of the Republic of Vietnam.

island. Embassy Saigon further requested evaluate possible motives GVN in raising question such urgent basis with US, British, Australians, ICC. While we recognize likelihood this was simply hasty acceptance unconfirmed reports, following speculation has occurred to Department:

a) Could Mau, in view firm reiteration Vietnamese claims to Paracels and Spratleys which he made in *Viet-nam Press* interview June 8 (following upon May 29 GVN declaration on same subject), have deliberately used unconfirmed reports of ChiCom landing Robert in order involve US in support Vietnamese claims?

b) Is there possibility Mau may have been led to such course by reports Chinats sending 2 destroyer escorts to Paracels after their visit Spratleys?

c) Conversely, is there possibility Mau may have wished use reports of Chicom landings Paracels to test our eventual reaction possible Vietminh attacks area contiguous 17th Parallel? ⁶

4. Paracel-Spratley problem seems to Department to illustrate weakness resulting from lack adequate contacts between GRC and GVN. Saigon and Taipei instructed inform respective Governments that US considers it matter of highest priority GRC and GVN relations be solidified soonest by exchange high-level representatives.

Dulles

⁶ The Embassy assessment, conveyed to the Department in telegram 4970 from Saigon, June 23, was that the Vietnamese Government accepted at face value the eyewitness reports from its garrison on Pattle Island, and did not make "deliberate use of unconfirmed reports" to test the U.S. and SEATO reactions to an emergency. (Department of State, Central Files, 790.022/6-2356)

188. Telegram From Ambassador U. Alexis Johnson to the Department of State ¹

Geneva, June 21, 1956—3 p.m.

2100. One hour 55 minute meeting this morning, 1½ hours of which in implementation. I opened with statement pointing out absurdity his position last meeting on Chinese prisoners which in effect is demand we not apply agreed announcement such prisoners. His replies along same lines last meeting referring to "Indian Embassy

¹ Source: Department of State, Central Files, 611.93/6-2156. Confidential; Priority; Limit Distribution.

being led into damaging trap" and PRC would "not agree to India participating in screening prisoners".²

We cut short implementation discussion saying we wanted take up "proper" question of draft declaration. His mild prepared statement referred to Department's June 12 press release.³ Our so-called minor changes their December 1 draft actually brought about "qualitative change" showing continued US stubborn persistence "freezing present status quo Taiwan and refusing negotiation" on subject. Apparent US aim is requiring PRC accept present state US occupation Taiwan interference liberation off-shore islands while indefinitely protracting these talks. PRC position continued be declaration could consist either of general statement or peaceful settlement disputes without resorting threat use force, or if Taiwan area specifically mentioned FMC for specific settlement must also be proposed. If US desires agreement on announcement should not distort their May 11 draft.

I replied admitting to "stubborn persistence" in seeking unambiguous, unqualified, unlimited in time renunciation of force specifically applicable Taiwan area as well as elsewhere and stating their failure accept our April 19 revisions indicated they unwilling accept this simple straightforward proposition. His remarks this morning as well as previously indicated they did not consider their December 1 draft applicable Taiwan area. This one of points of ambiguity my April 19 draft intended clarify.

Next meeting Thursday June 8.⁴ Proceeding Prague Friday morning returning Geneva Tuesday.

[Johnson]

² In guidance telegram 2183 to Geneva, June 19, Johnson was instructed to: "Continue your efforts obtain maximum psychological advantage from our pending initiative on offer to Chinese prisoners of repatriation and on Indian visits to verify this and freedom of choice. You are given discretion in determining how you will exploit absurd position Wang took at last meeting in objecting to Indian Embassy performance its role, and in demanding unconditional release Chinese criminals." The Department added that the Indian Embassy had indicated that it would be unable to respond to the invitation to interview the Chinese prisoners until it had received instructions from New Delhi. (*Ibid.*, 611.93/6-1956)

³ See footnote 4, Document 185.

⁴ Reference to June 8 is an obvious error. The next meeting at Geneva took place on July 10; see Document 194.

189. Telegram From the Secretary of State to Ambassador U. Alexis Johnson, at Geneva ¹

Washington, June 26, 1956—8:44 p.m.

2217. Guidance for June 28 meeting.

1. FYI Indian Ambassador wrote Department June 25 ² as follows:

"Under the terms of the Agreed Announcement made at Geneva on September 10, 1955, this Embassy may make representations to the United States Government only if requested to do so by a Chinese who believes that he is encountering obstruction in departure to the People's Republic of China. Further, we are competent to investigate the facts in any such case, only if desired to do so by the People's Republic of China. This Embassy has received no authority from the People's Republic of China to interview the Chinese prisoners named in the list attached to your aide-mémoire of May 31. ³ I regret, therefore, that we are unable to act in the manner requested in your two communications referred to above. I trust you will appreciate the position."

You will note Indian Embassy letter carefully avoids any implication that Embassy will not act if requested do so by a Chinese. Department's tentative plan, if Indian Embassy will not visit prisons, ⁴ is to offer each prisoner opportunity express decision as to whether he desires be deported to Communist China, or Taiwan or remain in prison and also, if he wishes to communicate with Indian Embassy. End FYI.

2. You should seek exploit Wang's abrupt reversal of position on Chinese prisoners, but avoid giving Wang any clue as to action we propose take in light of Indian letter. Inquire of Wang how he proposes reconcile his sudden loss of interest in Chinese prisoners with his former insistence that Agreed Announcement applied to prisoners, that information be supplied concerning them and that they be given benefit provisions Agreed Announcement. Place on record your conclusion that his newly discovered objections to performance of any Indian Embassy function as to prisoners is totally at variance with his frequently reiterated previous position, and is inexplicable.

3. Results we seek from prisoner move remain the same: (1) put maximum psychological pressure on Chinese Communists make good

¹ Source: Department of State, Central Files, 611.93/6-2656. Secret; Priority; Limit Distribution. Drafted by McConaughy, approved by Robertson, and cleared in substance with Phleger.

² Not printed. (*Ibid.*, 211.9311/6-2556)

³ See footnote 4, Document 181.

⁴ On June 27 Robertson wrote to Ambassador Mehta urging "a reconsideration of the decision of your Government". (Department of State, Central Files, 211.9311/6-2756)

on their Agreed Announcement and release imprisoned Americans, and (2) make Chinese Communist position untenable if they refuse to act. Hence we do not wish to provoke them to a point where reaction inimical to prospects imprisoned Americans would occur. At same time we cannot fail expose complete inconsistency of their position on prisoners. We note that last meeting Wang continued assert that Chinese prisoners covered by Agreed Announcement.

4. We have nothing new to add on renunciation of force and you should continue reiterate our position, stressing our attempts arrive at meaningful declaration by adopting their proposed language with clarifying additions.

5. FYI Would be interested in any reaction by Wang postpone-ment of Nehru's scheduled July visit.

6. Re your letter 38, ⁵ no objection July 6 or 7 for next meeting. If UN space demands make meeting impracticable week of July 9, we would prefer responsibility for postponement until week of July 16 be shared with Wang.

Dulles

⁵ A copy of Johnson's letter No. 38 to McConaughy, June 20, is *ibid.*, Geneva Talks Files: Lot 72 D 415, Geneva—Correspondence Re US-PRC, 1955-1956.

190. Telegram From Ambassador U. Alexis Johnson to the Department of State ¹

Geneva, June 28, 1956—1 p.m.

2129. 1. Two hours 35 minutes meeting this morning, two hours of which on renunciation. Wang made brief opening statement to effect May 11 draft was major effort meet our point view and if US sincere will give up attempts obtain PRC agreement freezing status quo Taiwan area.

2. I made long extemporaneous reply ² point out real problem was lack willingness PRC take first fundamental step renouncing

¹ Source: Department of State, Central Files, 611.93/6-2856. Confidential; Priority; Limit Distribution.

² In letter No. 39 to McConaughy, June 28, Johnson explained the rational behind his "extemporaneous reply" on the question of renunciation of force:

"I had not intended to say much on renunciation but listening to his opening statement the mood seized me and I let myself go. It is the type of act that loses its usefulness if put on too often, but after arriving there this morning it seemed to me a good idea. It is also, I feel, much more effective when I do it obviously extemporane-

Continued

force including Taiwan area, contrasting this with US position. Characterized their position as asking my government agree to negotiations under very clear and continued threat their part resort force if necessary. This anachronistic position would never be accepted by my government or any other self-respecting government. Their equating renunciation force with agreeing to maintenance status quo Taiwan area was doctrine of despair and pessimism in effect saying some disputes could not be settled peacefully. From this led back to urging acceptance April 19 draft.

3. In reply Wang renewed familiar charges US occupation Taiwan, distinction between international and domestic matters, and particularly urging "five principles" first paragraph May 11 draft.³ PRC will not agree to anything that will perpetuate situation Taiwan area. Our task is to push forward peaceful resolution Taiwan area dispute.

4. Renunciation ended on this inconclusive note with no slightest indication any shift position by Wang and I also avoided any indication possible change.

5. He obviously not desiring any implementation discussion I made prepared statement along lines paragraph 2 Deptel 2217.⁴ I introduced subject referring my remark last meeting further action was awaiting reply Indian Embassy and reply now received to effect PRC has not agreed to Indian Embassy interviewing prisoners. Made no other statement regard Indian Embassy letter and avoided any statement that Indian Embassy had refused act. Wang denied they had reversed their position and avoided any direct reply retreating to previous complaints our not furnishing list Chinese US, accounting for names he had given me, Taiwan entry permits etc. Also repeated list those in prison "not complete". In rebuttal I stuck to prisoners asking him direct question whether it their position that if prisoner desired return he should not be able promptly do so but rather await completion sentence or normal parole procedures, and whether they will accept our word on whether desires return. Noting his statement on full confidence in Indian Embassy I expressed gratification and

ously rather than reading a prepared statement. I tried again to go as far as I felt I could in holding out the 'pot of gold' if they would behave themselves. It seems to me this is now and again necessary if I am to do everything possible to assume that we keep going along the present lines. However, it is hard to find new ways to say the same old thing. My present feeling is that with careful handling we can expect to be able to plow this same furrow until November but, depending on what happens then not much beyond that. It is not too early to consider how we will handle the various contingencies that might be expected at about that time, but I leave that in your good hands." (*Ibid.*, Geneva Talks Files: Lot 72 D 415, Geneva—Correspondence Re US-PRC, 1955-1956)

³ See footnote 2, Document 174.

⁴ *Supra*.

said my government could take much satisfaction that considering number Chinese in US and long period since issuance agreed announcement Indians have made no complaint lack full cooperation my government nor had alleged single case any obstruction. Wang avoided any reply referring to his previous statement as "fully setting forth their position".

6. I proposed next meeting July 6 and Wang countered with proposal for Tuesday, July 10 "because of previous engagement" to which I agreed. Departing Prague Friday morning.

[Johnson]

191. Report by the Interdepartmental Committee on Certain U.S. Aid Programs ¹

Washington, July 6, 1956.

TAIWAN ²

Problem

The Government of the Republic of China (GRC) moved to the island of Taiwan in 1949 and subsequently consolidated its control over certain neighboring islands. The GRC was accompanied by an army of about 500,000 men, as well as government officials and other refugees. Although the GRC hopes eventually to return to the mainland, the United States will not support GRC offensive military operations aimed at achieving this purpose under present conditions.

¹ Source: Department of State, CA Files: Lot 67 D 579, NSC Reports and Correspondence, 1957. Secret; U.S. Eyes Only. The Prochnow Committee, formally titled the Interdepartmental Committee on Certain U.S. Aid Programs, was established by the NSC on December 8, 1955 to prepare reports on the coordination of military and economic aid programs in Turkey, Iran, Pakistan, Vietnam, the Republic of China, and Korea. The committee was headed by Deputy Under Secretary of State for Economic Affairs Herbert V. Prochnow and consisted of representatives of the Departments of State, Defense, and Treasury, and the Bureau of the Budget, ICA, and CIA. After receiving and approving the assigned country reports, including the report on the Republic of China, which were prepared by interdepartmental drafting groups, the Prochnow Committee submitted a final composite report to the NSC on August 3, 1956. (*Ibid.*, S/S-NSC Files: Lot 63 D 351, NSC 5610 Series) This report was discussed by the NSC at its 301st meeting on October 26, and the question of economic and military aid was referred to the Planning Board for further study.

² The report on Taiwan printed here is attached to a covering memorandum from the Prochnow Committee to the Secretaries of State, Defense, and the Treasury and the Director of the International Cooperation Administration. (*Ibid.*)

Owing to the Chinese Communist threat, the GRC has had to maintain military forces capable of defending Taiwan and Penghu with American naval and air support. The position and strength of the GRC and our policy toward China are intimately connected with our entire position in the Far East and with our national security. The maintenance of armed forces with this capability is beyond the economic resources of Taiwan. Because of its basic policy of return to the mainland and because of preoccupation with military problems, the GRC has not given priority to the development of a viable Taiwan economy. It is more concerned with maintenance of political stability through an adequate standard of living. These facts notwithstanding, some attention has been paid to economic development, and progress has been made, largely as the result of United States aid, but self-support is not in sight.

The best available data, although only providing a rough approximation of the orders of magnitude involved indicates that completion of the presently planned build-up and maintenance of GRC forces through 1960 along with U.S. economic aid of present magnitude may cost the U.S. about \$300 to \$325 million a year in new appropriations. Outside aid will be required thereafter and at the end of FY 1960 GRC forces will still be unable to defend their territory without substantial U.S. naval, air and logistic support.

Given the foregoing estimates and considering the political, military and economic consequences of various courses of action, the following problems, which must be considered both separately and in relation to one another are presented:

1. Should the U.S. continue to support and provide the external assistance necessary for (a) completion of the currently projected military buildup, and (b) the maintenance thereafter, or should U.S. policies and aid be directed toward a modified level of military force?
2. Should future U.S. economic policies and aid programs in addition to supporting GRC military forces be designed to strengthen the Taiwan economy and if so to what extent?

Findings

United States-Taiwan Military Agreements:

1. The United States signed an MDA Agreement with Taiwan in 1951³ under which it agreed to provide Taiwan with certain military materials for the maintenance of internal security and for the defense of Taiwan against possible attack. A Mutual Defense Treaty of De-

³ The Mutual Defense Assistance Agreement of 1951 was effected by an exchange of notes signed at Taipei on January 30 and February 9, 1951; 2 UST 1499.

cember 1954⁴ set forth understandings on individual and joint efforts to resist Communist armed attack and subversive activities and on joint efforts toward economic progress. Under the Agreement each party, recognizing that an attack on the territory of either in the area would represent a common danger, agreed to act to meet such common danger involving Taiwan and Penghu. An exchange of notes a few days after the Treaty was signed assured that the use of force would be a matter of joint agreement.

Legally, the United States has no specific commitments on the future amounts of military aid or size of military force it will support. The GRC doubtless considers that there is an implicit commitment on the part of the United States to continue assisting it. The nature of the foregoing agreements in addition to U.S. policy statements and past aid programs probably provides some basis for their belief.

2. *United States Military Objectives and Missions:*

The current Joint Chiefs of Staff (JCS) objectives envisage the following:

Army: 21 active infantry divisions with combat and service support, including 6 armored groups (about 400,000 men) and a reserve training program ultimately involving 9 divisions (reserve pool of 250,000 men). One reserve division is to be provided with a tailored set of training equipment.

Navy: 85 combatant ships (personnel strength 31,000) and a Marine Corps Division (25,000 troops).

Air Force: 23 squadrons (60,000 personnel strength) and 29 anti-aircraft artillery battalions (30,000 personnel strength).

Note: All personnel strengths are approximate.

The JCS approved missions of these forces are:

- (a) to defend, with United States assistance, Taiwan and Penghu
- (b) to defend the Quemoy and Matsu Island groups
- (c) to contribute to collective non-Communist strength in the Far East or for such other action mutually agreed upon with the United States
- (d)

These projected missions are essentially defensive in nature and are based on the existing situation in the Taiwan straits. Chinese Communist forces are engaged in hostilities with the GRC, are continually threatening to "liberate" Taiwan and are building up both forces and facilities on the mainland opposite GRC territory. U.S.

⁴ The Mutual Defense Treaty between the United States and the Republic of China was signed on December 2, 1954 and amplified in an exchange of notes on December 10, 1954; 6 UST 433.

forces are presently deployed in anticipation of possible joint operations with the GRC for the defense of Taiwan and Penghu.

3. *Military Capabilities:*

The major elements of the GRC forces listed above are all in being and, with minor exceptions, fully equipped; support units are not yet fully equipped. Almost all segments of these forces are receiving and have been receiving MDAP support. The combat effectiveness of GRC forces continues to increase and is now fairly good. The Army, although not yet capable of engaging in sustained defensive combat, can, with substantial outside logistical, air and naval support, perform its mission of the ground defense of Taiwan and Penghu; its capability to defend the off-shore islands is marginal and is contingent on logistic support and on air and naval support sufficient to prevent achievement of air superiority by the Chinese Communists, isolation of the off-shore islands, and subsequent capture. The Navy and Air Force are not yet capable of fully performing their assigned tasks. While the force objectives for GRC air and naval forces are the maximum that could be organized and maintained effectively, they are insufficient to defend successfully GRC territory. The force objectives for GRC ground forces represent the minimum for the defense of Taiwan, Penghu, and the off-shore islands; forces for collective defense could be contributed only if GRC territory were not under attack or imminent threat of attack. Aside from reconnaissance missions and other minor raiding and interdiction operations, GRC forces are not capable of successful, independent offensive action against the mainland.

4. *Cost of Military Build-up and Maintenance:* ⁵

The cost, based on unprogrammed requirements, of equipment needed to bring existing forces, which are approximately at the approved JCS force level, to approved TO&E level standards is estimated at about \$410 million, \$196.5 of which is made up of undelivered portions (build-up only) of FY 1950-1956 funded programs. Of the unfunded foreign exchange balance (about \$214 million) about one-third will be required for war reserve purposes. ⁶ Details of these es-

⁵ Cost figures for military build-up do not include possible adjustments in GRC programs which accelerated Chinese Communist build-up might require. The projected requirements and their costs are based upon requirements submitted on a screened deficiency basis by the MAAG and have been roughly screened by the foreign aid divisions of the military departments. The data have not been subjected to program and budget review by the comptrollers of the military departments or the Department of Defense. The data therefore represent order of magnitude values only. [Footnote in the source text.]

⁶ About \$46 million for a 90 day war reserve of Army equipment; \$22 million for Army and Navy war reserve ammunition; \$9.4 million for DFS; \$121 million for Army and Navy unit equipment; and \$15 million for PCH&T. [Footnote in the source text.]

timated costs arbitrarily broken down into increments are shown in Annex I. ⁷ (Full funding by 1960 may not be feasible).

The FY 1956 maintenance cost is estimated at \$296 million, \$147 million of which is in local currency. The annual maintenance cost, assuming stability in the economy and no increase in force bases or the level of troop pay and allowances, may increase to about \$320 million once the level-off is reached, of which over \$150 million may be met in local currency. Heretofore about 60% of the local currency requirements has been provided by the GRC. ⁸

The Table below summarizes on an annual basis the unfunded requirements, build-up and maintenance:

(in millions of dollars)					
	1957	1958	1959	1960	Total
<i>Military Assistance</i>					
Build-up	4.0	73.0	71.6	65.7	214.3
Maintenance and Support					
Dollars	212.4	166.3	165.1	166.3	710.1
Local Currency ⁹					
GRC Contribution	92.4	92.4	92.4	92.4	369.6
U.S. Contribution	61.6	61.6	61.6	61.6	246.4
Total	370.4	393.3	390.7	386.0	1540.4
Net Cost to U.S. (less \$92.4 annual contribution)	278.0	300.9	298.3	293.6	1170.8

5. U.S. economic objectives are expressed in general terms and no specific commitment exists regarding the amount of future economic aid to be provided. Among basic U.S. objectives regarding Taiwan is that of strengthening the economy of Taiwan as an essential element in progress toward the political and military objectives (Annex II ¹⁰). The GRC, however, has as its avowed objective a return to the Communist-held mainland. As a result of this stated objective, the GRC has given first and second priority in allocation of

⁷ Annex I, a table of unfunded deficiencies projected for the Republic of China for the period 1957-1960, is not printed.

⁸ The exchange rate used for Government imports and the calculation of counterpart, 24.78NTD to the dollar, is less favorable than other rates, e.g. that used for private imports. [Footnote in the source text.]

⁹ Based on assumption that approximately 40% of GRC local currency military budget of \$154 million would be provided by U.S. through Defense Support. [Footnote in the source text.]

¹⁰ Annex II, a listing of eight basic U.S. policy objectives with respect to Taiwan, is not printed.

resources to military development and increasing consumption levels and has not participated enthusiastically in the economic development of Taiwan. Despite this fact, however, of the approximately \$400 million of direct dollar economic aid delivered by the U.S. over the past five years, some 25% ¹¹ has been directed toward fixed capital development as against the remaining portion which was utilized primarily for immediate defense support purposes. The total GNP increased 50% during the period 1950-1955 while population was increasing less than 15%.

6. *Economic Situation:*

The country of Taiwan is small, densely populated in proportion to its arable land resources, primarily agricultural and with a relatively underdeveloped industry. Agricultural cultivation already highly intensive, does not offer scope for enough expansion to more than keep pace with population growth. Consequently, growth in the per capita Gross National Product (GNP) depends primarily on industrialization. The rate of increase (50% during the period 1950-55) is expected, however, to taper off sharply, even if the present level of investment is maintained, since rehabilitation and repair of preexisting facilities are now largely completed. A rate of growth of 2-3 percent per year is theoretically maintainable in the future, assuming among other things adequate controls over consumption. Although progress is being made, certain limiting factors still exist, such as inadequate transportation and communication facilities, lack of power, certain technical skills and other resources. Other basic problems such as a population growth of 2.75 percent annually and the incorporation into the economy over the past six years of two million refugees, the tremendous burden of supporting large military forces, and a sprawling and inefficient central government still exist. Government policy has shown a disposition toward government ownership and operation of productive enterprise, including monopoly in certain cases. A Four-Year Economic Development Plan, formulated in 1952 under U.S. encouragement, has been of little substantive value due to lack of central government support.

The internal budget of the GRC has shown an increasingly deficit position (before U.S. aid) in recent years, e.g. the estimated deficit for FY 1956 was more than twice that of FY 1953. Expenditures, including those financed with U.S. assistance, have grown more rapidly than revenues. The government has operated on the assumption that a deficit can be met by U.S. aid or deficit financing. Progress toward raising taxes, controlling consumption and exercising budgetary controls, has been slight. A high vulnerability to inflation exists illus-

¹¹ In addition, local currencies generated from saleable commodity imports have been provided to meet local costs of capital development. [Footnote in the source text.]

trated by the fact that the price index was 14% higher in 1955 than in 1954.

The GRC has also shown a deficit of approximately \$40 million annually in its balance of trade accounts even apart from imports for the military establishment. The prospect within the next five years for improvement is meager, since the predominately agriculture exports suffer an inelastic demand situation; some help, however, may come from import saving industrial development.

7. Economic Projections: ¹²

The Study Group on Taiwan prepared several projections, based on various assumptions, in order to indicate in general terms the probable costs over the next four years, of meeting the military requirements and of developing the economy of Taiwan. The cost estimates vary, of course, with differing assumptions regarding investment and per capita consumption. The projections indicate that non-Taiwan resources will be required during the period 1955-1960 ranging from about \$360 million to \$490 million annually, ¹³ the lower figure representing no increase in per capita consumption or per capita GNP; the upper figure is reflected when the per capita GNP is assumed to increase 2% annually along with an increase in per capita consumption of 8% over the entire period.

Balance of payments projections set forth by the Study Group, based upon an arbitrary average yearly distribution of military imports, show a balance of payments deficit of approximately \$320 million each year, 1957 through 1960, a figure about 2½ times the projected export earnings. This demonstrates a probable continuing dependence on external aid if present U.S. objectives in Taiwan are unchanged, although non-military parts of the external accounts may eventually become more favorable. ¹⁴

8. Impact of Military Program on the Taiwan Economy:

If a military establishment of the present size continues, total additional annual aid in the magnitude of \$300-325 million probably, as mentioned earlier, may be required through FY 1961 and at a reduced level thereafter. The financing of the military establishment, toward which the GRC expends about 10% of its total GNP, contributes to the budgetary deficits and to inflationary tendencies. The

¹² Wide margins of error must be allowed, considering the questionable nature of statistical data available and the need to rely on assumptions which may not always be valid. [Footnote in the source text.]

¹³ The estimated range of required annual U.S. aid through 1960 mentioned on page 1 and in Alternative I, included only new appropriations necessary to cover estimated costs. [Footnote in the source text.]

¹⁴ Assuming very favorable circumstances including the restriction of consumption, and excluding the military program, it might be possible for the GRC to approach self-support in a few years after 1960. [Footnote in the source text.]

military activities in the area contribute to pressures for higher living standards and to retarded rates of investment.

A substantial reduction in the military strength of Taiwan at this time, aside from military and economic considerations, would, in view of the continuing threat from the mainland, create serious and perhaps critical problems in Taiwan and the area generally. As in the case of Korea, such action would doubtless be interpreted as a lessening of U.S. interest unless compensated by alternative security or strategic arrangements.

9. Military Capabilities of an Unaided Taiwan:

Taiwan's large current budgetary deficits before U.S. aid indicate an inability, even with drastic fiscal reform, to carry a significantly larger part of the military costs. For instance, only about 20-25% of the total defense costs have been carried by the GRC and this covers only about 60% of the local currency costs. The deficits have been largely met by foreign aid.

The fact that the cost of the military build-up and over half the continuing cost of its maintenance is in dollars, coupled with the overwhelming dependence on outside aid to meet balance of trade deficits, leads to the conclusion that, were all assistance withdrawn, Taiwan would be unable to complete the build-up, to maintain the present forces or to maintain even a greatly reduced level of forces. It would be virtually incapable of purchasing any equipment from outside. Upon exhaustion of consumable supplies and deterioration of equipment, reduction would be necessary.

The budgetary situation described above and the low per capita productivity render almost impossible any significant diversion of resources from nonmilitary to military uses in the near future without adverse political and economic repercussions.

Alternative Courses of Action

It is recommended that the NSC determine whether the United States should:

1. Continue military and economic programs at approximately present levels.

Implications:

- a) new U.S. appropriations of about \$300-\$325 million annually through 1960 and substantial amounts thereafter;
- b) maintenance of present GRC forces and improvement combat readiness and capabilities but not covering modernization;
- c) maintenance of the GRC economy at roughly present strength or slightly increased strength.

2. Continue military aid at about the present level and increase economic aid to provide for a further increase in economic strength.

Implications:

a) an increased cost of \$40-60 million might be the upper limit of the absorptive capacity of the economy of Taiwan for new investment;

b) this may increase national output and provide for some increase in consumption. The possibility of a more rapid improvement in the Taiwan economy than in 1. above will depend in part on GRC fiscal reforms, controls over consumption, and ability to overcome development bottlenecks;

c) it would mean higher short term aid costs but possibly lower long term aid requirements.

3. Reduce the level of economic assistance for development purposes.

Implications:

a) possible maximum annual saving to the U.S. of about \$35 million;

b) probable reduction in rate of economic development and per capita GNP and thus decreasing capacity to contribute to costs;

c) a significant reduction poses a risk of Taiwan and the surrounding area inferring a change in U.S. policy regarding Peiping, a consequent weakening of public morale in Taiwan, and possible adverse effects on the stability of the GRC.

4. Reduce the military establishment of Taiwan.

Implications:

a) reduction in cost to U.S. depends on extent and method of cutback. To illustrate:

1. Halting further equipment build-up and deferring provision of war reserves might reduce new appropriations required by \$50-60 million annually to level of \$150-160 million for FY 1958-1960.

2. Transfer of 5 divisions from active to reserve status might reduce total maintenance and support costs from \$25-35 million annually.

b) reduction in capability of GRC ground forces for sustained combat, thereby affecting ability to carry out assigned missions and to contribute towards defense of area and possible consequent increase in U.S. forces required in area.

c) cut in present forces, as for example in a)2 above, would result in adverse political repercussions as indicated in 3c) above, except that GRC reaction would be even stronger and the risk of weakening GRC morale considerably greater.

192. Memorandum of a Conversation, Taipei, July 7, 1956¹

PARTICIPANTS

President Chiang Kai-shek
 Madame Chiang
 Foreign Minister George K.C. Yeh
 Ambassador K.L. Rankin

SUBJECT

Proposed Withdrawal of U.S. Military Personnel from Offshore Islands

President Chiang asked me to see him late yesterday afternoon. Madame Chiang also was present, but took no significant part in the conversation. Foreign Minister Yeh acted as interpreter. First we reviewed various preparations for the visit of Vice President Richard M. Nixon,² who is due in Taipei tonight. The President then brought up the proposal to withdraw United States military personnel from Kinmen and Matsu, which evidently was the primary reason he had sent for me.

During the subsequent conversation President Chiang repeated several times, with emphasis, his conviction that the withdrawal of United States military personnel from the offshore islands would have a most serious—perhaps disastrous—effect on Chinese morale. It would be interpreted by the Chinese military and by the civilian population as a new step in American policy directed toward the abandonment of Kinmen and Matsu. He recalled the psychological impact of the withdrawal of American Marines from Tien Tsin and Tsing Tao, which had proved far more serious than he himself had foreseen. Particularly at the present time, it was of the greatest importance that such a mistake should not be repeated.

In reply, I reviewed the points covered in my memoranda of conversations with the Acting Foreign Minister (June 22³) and the

¹ Source: Department of State, Central Files, 793.5/7-756. Secret. Drafted by Rankin.

² Vice President Nixon visited Taipei on July 7 and 8 as part of a brief tour of Asian countries which included stops in Saigon, Bangkok, Karachi, and Ankara. For a summary of the discussion in Taipei between the Vice President and President Chiang, see the memorandum, *infra*. Additional information on the Nixon trip is in Department of State, Central Files, 033.1100-NI.

³ On June 22, Rankin met with Acting Foreign Minister Shen Chang-huan to discuss the proposed withdrawal of U.S. military advisers from the offshore islands to Taiwan. Rankin cited the problems experienced during the previous year by the American officers stationed on Tachen as evidence of the dangers involved in the present situation. He noted that MAAG advisers stationed on Taiwan would make frequent trips to the offshore islands, and the United States would continue logistic support for the islands. Rankin concluded that the advisers stationed on Taiwan might increase their effectiveness, while avoiding the risk of confusion and embarrassment in an emergency. (Memorandum of conversation by Rankin, June 22; *ibid.*, 793.5/6-2256)

Minister of Defense (June 26 ⁴), omitting reference to the potentially awkward position of the American officers in question in the event of a sudden and major Communist attack. I assured him that no change of policy was involved, and that it was not proposed to withdraw the officers immediately—perhaps not before the end of the year.

In further explanation, I said that any American responsibilities toward the offshore islands now belonged more properly to the United States Taiwan Defense Command than to the Military Assistance Advisory Group, whose personnel were first stationed on Kinmen and Matsu in 1954, prior to the establishment of USTDC. Moreover, we were faced with the larger problem of reducing the numbers of official Americans in Free China from the present high level, which is having unfortunate effects on Chinese-U.S. relations. Beyond a certain point, I said, our local problems seemed to increase as the square of the number of Americans involved. Points of friction were multiplied and we tended to get our fingers into too many Chinese pies. I had noted a deterioration in relations between Chinese and Americans on Taiwan during the past year, and I thought it was due in large part to the rapid growth of our official American group here, which today exceeded 8,500 including dependents.

I said that there were also practical reasons for reducing our staffs. More than a year ago some 200 Americans had come out to train the Chinese in using 90 mm. anti-aircraft artillery. This training was now well advanced and a much smaller number should suffice. On the offshore islands, the equipment and training of the Chinese forces was substantially complete, as were the defense works. I could see no reason for continuing to maintain nearly 60 American advisers on Kinmen and Matsu. As a matter of fact we should encourage more independence among the Chinese military. It was understandable that American technical assistance might be needed when new equipment was introduced. But as an American lieutenant colonel said to me not long ago, "Who am I to be telling a Chinese general what to do?" One of our very best Air Force colonels remarked to me recently, "I came here as an adviser; now I am becoming a crutch." Both of these officers are deeply interested in their work and sympathetic to the Chinese cause. I thought their remarks established conclusively that it was time to reduce our staffs, although I

⁴ In a conversation with Minister of Defense Yu Ta-wei on June 26, Rankin made many of the same points concerning the proposed withdrawal of American advisers from the offshore islands that he had made in his conversation on June 22 with the Acting Foreign Minister. He added that the advisers might not be entirely withdrawn until the end of the year. Yu insisted that any such withdrawal would have a bad effect on Chinese morale. (Memorandum of conversation by Rankin, June 26; *ibid.*, 793.5/6-2656)

did not propose to do anything hastily or without due regard for psychological reactions.

Not being a military expert, I remarked that I would not attempt to say how many American personnel were required to carry out various responsibilities, but there was rather general agreement among Americans here that a gradual reduction in staffs over the next year would be in order.⁵

The President replied that he would not object to a reduction on Taiwan, but that for the psychological reasons he had already mentioned it was essential not to do so on the offshore islands.

K. L. Rankin

⁵ In telegram 76 from Taipei, July 25, Rankin noted that the MAAG on Taiwan contemplated a gradual reduction of the American advisers on the offshore islands to be accomplished by not replacing those officers who had completed their normal tour of duty. (*Ibid.*, 793.5/7-2556)

193. Memorandum of a Conversation, Taipei, July 8, 1956¹

PARTICIPANTS

President Chiang Kai-shek
 Madame Chiang Kai-shek
 Vice President Chen Cheng
 Premier O.K. Yui
 Secretary General Chang Chun
 Foreign Minister K.C. Yeh
 Colonel S. K. Hu
 Vice President Richard M. Nixon
 Ambassador K. L. Rankin
 Mr. Paul W. Meyer (Reporter)

INTERPRETED BY

Foreign Minister Yeh

President Chiang opened the conversation by asking whether Vice President Nixon had any advice to offer.

Vice President Nixon replied that he would give President Chiang a summary of opinions in the United States Government and

¹ Source: Department of State, Central Files, 033.1100-NI/7-2656. Secret. Drafted by Meyer. Meyer sent a copy of this memorandum of conversation as an enclosure to a July 26 letter to David C. Cuthell, Officer in Charge of the Office of Philippine Affairs. The memorandum printed here is attached to that letter, *ibid.* Meyer noted, in the letter to Cuthell, that he arrived after the conversation had begun and had to rely on the notes taken by Colonel Hu for the first part of the conversation.

among the American public on the world situation, including the issue of Communist China's admission to the United Nations. He said that the so-called "New Look" of the Communists was receiving more emphasis than it deserved. There were columnists and radio commentators in the United States who were urging a drastic change in American policy, with a softening of our attitude towards Soviet Russia and communists in general. However, these opinions had not affected the views of top level officials of the United States Government, such as President Eisenhower and the Secretary of State. Vice President Nixon said that he thought that President Eisenhower's personal letter ² to President Chiang pretty much summed up President Eisenhower's feelings.

The present attitude of the American Government toward Soviet Russia and the satellites was approximately as follows: the United States would go along with the idea of exchanging visits, on a highly selective basis. There would, however, definitely be no lessening of United States military preparedness. On the economic side, the United States would attempt to meet Soviet moves on a realistic basis, i.e., to counter their actions, wherever they may be, with our own actions.

With reference to United States relations with Communist China, pressure is building up on two fronts: trade and admission of Communist China to the United Nations. With regard to trade, Great Britain is exerting a great deal of pressure supplemented by Japan's agitation for a relaxation of trade restrictions. We may expect to hear many irresponsible comments by radio commentators and columnists and even some of the political leaders trying to influence the United States Government to soften its policy. But the position of top level Government leaders is still the same as three years ago, i.e., firm and unaffected by any campaign waged to soften United States policy.

In summary,

² Nixon delivered this letter, dated July 4, upon his arrival in Taipei. In the brief message, President Eisenhower reassured President Chiang concerning the "steadfastness" of American support for the Republic of China. (Department of State *Bulletin*, July 23, 1956, p. 151)

President Chiang responded on July 20 with a letter to President Eisenhower in which he stated his concern over the "danger confronting Asia":

"In my opinion the greatest danger confronting Asia today is the effect already evident in Asia of the 'smile' tactics and economic penetration waged by Soviet Russia and the Chinese Communists, with the opportunist collaboration of the so-called neutralist countries. The growth of neutralism has greatly helped Communist infiltration in Asia and weakened the solidarity of the free world. In order to hold on to our present position, it is necessary to combat the effect of neutralism, particularly in Asia. Any advance of neutralism in this part of the world is tantamount to retreat on our part. I feel strongly that we must refrain from giving any encouragement to neutralism by word or by deed. I am sure that with your wisdom and statesmanship, you will continue to take effective measures to counter this new Communist tactic." (Department of State, Central Files, 611. 93/8-356)

President Eisenhower's and Secretary Dulles' position re Red China is the same as three years ago.

Admission of Red China to the United Nations would produce violent political repercussions in the United States. As of today, Congressional reaction would be for the United States to get out of the United Nations.

President Chiang then requested the views of the Vice President on his present trip.

The Vice President stated that in the Philippines there had recently been anti-United States sentiment stirred up by enemies of Magsaysay, primarily over bases. This controversy has now been resolved.

In Vietnam, Diem is a capable leader who has the support of the people and who understands communism. There is no neutralism there.

It would be unrealistic not to recognize grave dangers that exist in Southeast Asia, particularly in Indonesia and Burma. What we must do is to maintain the position we now hold. We must keep our defenses solid and strong, and meet communist economic and subversive activities.

We also must consider Korea and Japan. There is a subtle campaign being waged in Japan by the communists, especially along economic lines.

One result of the Communist "New Look" is that if the Chinese Reds make one aggressive move all the world opinion would be mobilized against them. The basis for a holding action is the hope that the Chinese communists will make a mistake. All communists are now on trial, because, if one of them should do something contrary to the "New Look", world opinion would be against him.

The Vice President requested President Chiang's views of conditions on the Mainland since the Communist "New Look", and any questions he might have in regard to our policy in the Far East or in general.

President Chiang asked, with reference to the "New Look" and putting the Communists on trial, would the United States take action in the event of Communist aggression?

The Vice President replied that we would live up to our treaty obligations. In the event of clear-cut aggression, there would be strong support in the United States to oppose that aggression. With reference to Kinmen and Matsu, these islands are not covered by treaty, but a strong attack launched now would more likely be considered a threat to Taiwan than formerly, since the "New Look" pinpoints any aggression and makes it more apparent. (At this point the Foreign Minister observed that the final decision in regard to the off-shore islands must be taken by President Eisenhower himself.)

President Chiang requested that his following views be conveyed to President Eisenhower: In our present holding operations it is imperative that the United States should remain firm and not yield any ground on any front in Asia. It is only thus that we can maintain our friends in the Far East. By not giving in we may be able to prevent war. Retreating, even a little, would result immediately in war.

The Vice President stated that that was his position in the Security Council a year and a half ago. In his view the time is past when we can give up even a little territory.

President Chiang stated that Secretary Dulles has often said that war comes about by miscalculation. Any indication from Washington that the United States is even contemplating softening its policy will encourage Communists to miscalculate, and President Chiang hoped that President Eisenhower would give this matter adequate attention. The United States has just barely maintained the situation in the Far East during the past two years by giving the impression the United States would strike back against aggression. If now we give the impression that we will negotiate and compromise, the Communists will test our intentions by some aggressive action. President Chiang said that he was convinced of the importance of what he had just said and asked that it be transmitted to President Eisenhower. He added that this was not just applicable to Kinmen and Matsu but to the entire Far East.

The Vice President then said that if the Communists should take over in Indonesia, for example, it might start a chain reaction. He cited this as an example of testing us out.

President Chiang stated that he had another very important observation which was also to be conveyed to President Eisenhower. There are many overseas Chinese in the various countries of Asia. They are very important in the economy of all of those countries. Most of the leaders in these Chinese communities have been for many years closely associated with government officials where they reside. The best way to stop Communist infiltration is to keep these Chinese leaders on our side. In recent months he has been alarmed by the inroads made by the Communists in Chinese schools in Burma, Thailand, and Indonesia, and other countries of Southeast Asia. American economic aid should be directed to help the economic well-being of these Chinese communities. He hoped that some arrangement could be made to divert United States aid to overseas Chinese communities in order to insure their security. The President mentioned two memoranda ³ prepared at his direction for the Ameri-

³ Presented to the Department under cover of a letter from Foreign Minister Yeh to Secretary Dulles, Document 166. The memoranda are not printed but are summarized in footnotes 2 and 3, *ibid.*

can Government suggesting methods to counteract this kind of infiltration. He requested these two memoranda so that our experts could work out details together. He said that as it is, the United States is getting the value of \$1.00 for each \$2.00 spent in aid; by working through Chinese communities we could get \$2.00 value for each \$1.00 spent.

At this point the Vice President mentioned the problem of working with the governments where these Chinese communities live. The Foreign Minister pointed out that it was not their intention that the leaders of these communities should be used as agents. He said Thailand was flooded by Chinese Communist goods. These same articles can be made on Taiwan at the same price but of better quality. He recommended that such trade be for propaganda purposes rather than as a commercial enterprise, thus countering Communist infiltration.

Madame Chiang added that in this way Taiwan would be dealing with the overseas Chinese rather than having them deal with the Communists.

The Vice President considered this an imaginative proposal and would look into it.

The Foreign Minister stated that overseas communities are uncertain about the United States attitude. They want to be sure. Chinese businessmen in Thailand have little business because of inability to get Chinese products. He considered it important that they be supplied with commodities so that they might stay in business and remain strong supporters of this (GRC) government.

The Vice President asked about the current situation in Communist China as President Eisenhower would be much interested in President Chiang's estimate.

President Chiang said the situation there depends on how much support the Government receives from the people, and the effect of the Communist "New Look". The Chinese Communists, like the Russians, are putting on a "New Look" on the Mainland as well as towards outside countries. The "New Look" has advantages for us in the free world. The main reason for shifting policy internally is that it was found that the Communists could no longer keep the people under their thumb. Six years ago, if the Communists had come out with the "New Look", it would have been more effective than now. The recent peace overtures by the Communists mean that the people on the Mainland realise that Taiwan has strength.

In explanation of these remarks President Chiang stated that the National Peoples Conference and various cultural conferences had ended in general criticism of thought control. The more Communists try to cover up faults, the more dissatisfied the people become. The "New Look" internally can only result in exposure of Communist

weaknesses but cannot give freedom to the people. The principal reason why the Communists adopted the "New Look" was that they could no longer retain support of the people. As long as this Government (GRC) exists and makes progress, and the United States and China stick together, the Communists on the Mainland will not be able to succeed in what they are doing. This he can guarantee. He has told American friends often that the core of all Asian problems centers on the Chinese Mainland. Today the anti-communist front in Asia is being supported by depriving Red China of membership in the United Nations. Once Red China is admitted to the United Nations the entire anti-communist front in Asia will collapse.

The Vice President inquired how President Chiang felt about trade with Communist China and visits to Communist China.

President Chiang stated that no useful purpose is served either by trade or visits to Communist China.

The Vice President inquired whether the lowering of trade barriers would have the same effect as admission of Red China to the United Nations.

President Chiang stated that the effect would be approximately the same and would be bad. The Geneva talks were in the same category. The Chinese Communists are using trade for their own purposes and are making progress in this regard.

Vice President Nixon stated that he was concerned about these developments, and that time was not really on our side. He cited the Communist education of youth, the result of which would be a new generation of Communists in a very short time, and asked whether the President shared this view.

President Chiang stated that in another five years, the situation would be incorrigible. For example, a five year old child entering school in 1949 would be of almost university age when the return to the Mainland occurs. He was confident of ultimate victory, but this was the thing that worried him most.

The Vice President then stated his understanding of President Chiang's position as follows: (1) The "New Look" was due to necessity but was dangerous; (2) the United States should not change its policy.

President Chiang stated that the Chinese Mainland is Soviet Russia's greatest capital asset. He believed that President Eisenhower would agree that the loss of the Mainland was responsible for many liabilities that have developed for us. The China Mainland is of great importance to the Soviets. What he has said is his personal opinion and he has not always been right. He has no intention of getting the United States involved or of damaging its position. His only purpose is to strengthen the position of the United States in Asia. He hoped

that President Eisenhower would accept his views of the importance of the Mainland, as he is in a position to judge this matter.

The Vice President stated that President Chiang's opinion was most helpful, and felt that the Chinese Communists were under the complete discipline of Soviet Russia.

President Chiang said that Soviet Russia maintains monolithic control. There were differences between Red China and Soviet Russia prior to Stalin's death. Now a Tito-like movement is not possible. The present system is much tighter for the Chinese Communists than formerly. Khrushchev has filled all the cracks between Russia and Red China and the relationship now is closer. There is less control over the people since Stalin's death than formerly, but there is more solidarity among Communist countries. This makes our position more difficult than before.

Vice President Nixon then stated that dictatorships, when they loosen controls, may set free forces that will destroy them. His guess was that eventually the Soviet Russian regime would have to revert to purges in order to remain in power.

President Chiang expressed the opinion that in another three years the pendulum would swing that way.

The Vice President stated that meanwhile all we can do is to hold the line.

President Chiang said that this depended upon the United States and China; these two countries primarily. In conclusion, he said that the United States and Free China are so closely related that they must share the same fate. The most urgent problem is to work together to prevent Red China getting into the United Nations. He expressed the hope that the Vice President would emphasize this to President Eisenhower. If Red China is admitted to the United Nations the cause of freedom in Asia is lost.

The Vice President stated that there was no question as to where he stands on this issue.

At this point Madame Chiang stated that she concurred in the necessity of maintaining the status quo in Asia but that this meant that we could not stand still. No method has yet been found for combatting Communist infiltration by trade and propaganda.

The Vice President agreed that we cannot be static but must find imaginative ways to combat Communist activity. This is a difficult problem. With regard to the admission of Communist China to the United Nations there is no question where we stand. Pressure on us will increase for United Nations admission and trade with Communist China. The United States will resist pressure in these directions. He was confident that we will continue to take a strong stand. He also mentioned that we should always consider the possibility that our enemies might make mistakes. The "New Look" presents us with

a difficult situation; it may result in forcing the Reds to institute repressive measures at home, and after a while the smile will be replaced by aggressive action abroad with adverse reactions. The Communists are playing with fire with the "New Look". They will eventually make mistakes but we should not count on this.

194. Telegram From Ambassador U. Alexis Johnson to the Department of State ¹

Geneva, July 10, 1956—noon.

20. 1. One hour fifteen minutes meeting today. I opened with prepared statement emphasizing mutuality my April 19 draft and charging him with "haggling and bargaining" over Taiwan area reference by establishing preconditions for its inclusion. Ended with hope that we could at least move in direction April 19 draft.

2. He replied with prepared statement along lines Chou En-lai's remarks on talks in People's Congress speech ² with emphasis on stalling charges. "Any announcement must be capable relaxation and elimination tension Taiwan area instead of perpetuating status quo US occupation." Aim of US has always been secure announcement advantageous solely to US and failing such attempt indefinitely drag out these talks. Cannot agree these talks being used as "tool" by one party, continuation must be advantageous both sides.

3. During give and take I kept coming back to April 19 draft, pointing out mutual advantage as first step peaceful resolution and renewing charge they unwilling make unconditional renunciation force as first step.

4. Wang replied that it did not appear positions two sides likely come closer together on renunciation declaration, and therefore unless at next meeting I had new constructive proposal he suggested

¹ Source: Department of State, Central Files, 611.93/7-1056. Confidential; Priority; Limit Distribution.

² Reference is to the speech delivered by Premier Chou En-lai to the National People's Congress in Peking on June 28, summarized in telegram 5 from Hong Kong, July 4. According to this summary, Chou referred to the Geneva talks as confirmation of the international position of the People's Republic of China, and added that it was becoming more difficult to ignore China's views in the settlement of major international disputes while the United States was holding talks with the People's Republic of China. (*Ibid.*, 611.93/7-456)

talks take up discussion other agenda two item, that is trade embargo. ³

5. I made no direct reply to his suggestion but pointed out inference his government was rejecting unconditional renunciation of force and while I discouraged at their attitude felt issues too important for despair and still hopeful his government would adopt this generally acceptable principle international conduct. If it persists in maintaining its threat initiate force Taiwan area hard be optimistic peaceful settlement our disputes. ⁴

6. He attempted avoid any discussion implementation, and I took initiative making brief statement noting Fathers Clifford and Phillips permitted leave only after completion full term sentences and making points para one Deptel 11. ⁵ Wang closed off subject by general statement was US rather than PRC interfering with Indian Embassy.

7. He proposed next meeting July 24 but readily accepted my counterproposal for Thursday July 26.

[Johnson]

³ In his comments on the meeting, in telegram 23 from Geneva, July 10, Johnson stated that he did not believe Wang's "suggestion" to turn to the trade embargo item presaged an early break in the talks, but was rather a renewed attempt to put pressure on the United States. (*Ibid.*, 611.93/7-1056)

⁴ McConaughy wrote to Johnson, in letter No. 49, July 6, that there was no prospect of a new U.S. position on renunciation of force: "The disposition here is not to try to develop anything new on renunciation. You will have to continue using your ingenuity to play the same theme." (*Ibid.*, Geneva Talks Files: Lot 72 D 415, Geneva—Correspondence Re US-PRC, 1955-1956)

⁵ In paragraph 1 of guidance telegram 11 to Geneva, July 6, Johnson was instructed to recall that the U.S. decision to extend the Agreed Announcement to include Chinese alien criminals was reached after Wang had dwelt on the question for many weeks. Johnson was to express surprise that the Chinese were now placing obstacles in the way of the Indian Government in the performance of its function. (*Ibid.*, Central Files, 611.93/7-656)

195. Letter From the Assistant Secretary of State for Far Eastern Affairs (Robertson) to the Assistant Secretary of Defense for International Security Affairs (Gray) ¹

[Washington,] July 23, 1956.

DEAR GORDON: I refer to your letter of July 10, 1956, ² informing me of plans to deploy the 17th tactical Squadron (Matador) to Japan during the third quarter Fiscal Year 1957 and also to rotate a flight of this squadron to Taiwan on a TDY basis. The views of the Department of State as to the advisability of these scheduled deployments from a political standpoint are requested.

With respect to Japan, you state that nuclear components would not accompany the deployment of a Matador squadron In view of the extreme Japanese sensitivity to the introduction of any new weapon having a nuclear potential, however, and the increased desire of the Japanese for prior consultation on any United States plans or programs which might arouse public opposition, I believe it is essential that we consult with appropriate officials of the Japanese Government before implementing plans for the deployment of a Matador squadron to Japan. If you concur, I suggest that we send a joint message to Tokyo requesting Ambassador Allison and General Lemnitner to discuss this matter with senior officials of the Japanese Government in order to elicit their reactions. The number of such officials, of course, would be kept to an absolute minimum.

With reference to the possible rotation of a Matador flight I believe that on balance this would have a favorable political effect. Apart from enhancing the defensive capabilities of the Republic of China and giving a timely boost to morale on Taiwan, such deployment would serve as a reminder to other nations that the United States is determined to stand by its commitments to the Government of the Republic of China. This would hearten our Asian Allies in their resistance to Communist expansion and would aid in the achievement of our policy objectives in the area. From the standpoint of policy, therefore, we strongly favor this contemplated rotation of a Matador flight to Taiwan, whether from Japan or from Okinawa, and we should be prepared to enter into negotiations with the Government of the Republic of China to implement it whenever required. We consider that the advantages to the GRC of this arrangement would outweigh any reluctance that government might feel toward

¹ Source: Department of State, CA Files: Lot 67 D 579, Matador Project, 1956. Top Secret. Drafted by Clough and Comiskey of CA and Pfeiffer of NA.

² Not found.

an increase of two or three hundred in the American population of Taiwan.³

Sincerely yours,

Walter S. Robertson⁴

³ In an August 14 letter to Robertson, Perkins McGuire, Acting Assistant Secretary of Defense for International Security Affairs, concurred in the proposals outlined in this letter. (Department of State, ROC Files: Lot 67 D 579, Matador Project)

⁴ Printed from a carbon copy which bears this typed signature.

196. Letter From the Assistant Secretary of Defense for International Security Affairs (Gray) to the Secretary of State¹

Washington, 24 July 1956.

DEAR MR. SECRETARY: The Taiwan Defense Commander and the Commander Seventh Fleet have an urgent requirement for aerial photographic coverage of inland targets and the distant strategic areas of military concentration on the Chinese mainland. The urgency of this requirement, as you are aware, lies in the fact that photographic coverage of air fields and supply installations, by indicating comparative activity, will furnish the critical indications which must precede Phase II of Chinese Communists' operations against the Republic of China.

For more than a year the Government of the Republic of China (GRC), under the specific supervision of J-2, Commander-in-Chief, Pacific (CINCPAC) and the Intelligence Officer, Taiwan Defense Command, have been engaged in aerial reconnaissance of the coastal area of mainland China to ascertain the amount and kinds of air field, rail, and harbor construction being undertaken for possible Communist offensive purposes. Information gained from these overflights has been shared equally by the GRC and American intelligence agencies. These frequent flights have been and continue to be a principal source of vital early warning intelligence to the U.S. Forces charged with defending Taiwan.

The Chinese Communists through introduction of improved jet fighter aircraft are determined to stop the Chinese Nationalist Air Force deep reconnaissance activity. As the Communists have improved their capability for high altitude interception, the range and

¹ Source: Department of State, Central Files, 793.0022/7-2456. Top Secret.

maximum operating ceiling of the available GRC aircraft have become inadequate to accomplish intelligence missions inland from the coast.² The presently programmed squadron of RF-84F aircraft must therefore be supplemented with aircraft having a higher operating ceiling capability if deep penetration reconnaissance missions are to be undertaken.

On the advice of the Joint Chiefs of Staff, the Department of Defense, therefore, is planning to add a second reconnaissance squadron initially composed of six RF-86F's which do not have a deep penetration capability and two RB-57 aircraft of the "Heart Throb" configuration which do have deep penetration characteristics. Concurrently, three light bomber squadrons equipped with obsolete aircraft are being deleted from the Chinese Nationalists force objectives.

Please be assured that neither the GRC, nor the Commander-in-Chief, Pacific, fail to recognize the requirement for extreme circumspection in the use of such aircraft; General Chiang, because he must carefully select and husband his dependable pilots,³ and the Commander-in-Chief, Pacific, because of the obvious international complications and threat to his mission which would arise from compromise. The Department of Defense, therefore, requests the concurrence of the Department of State in the assignment of these aircraft in order that the Commander-in-Chief, Pacific, may fulfill the deep penetration portion of his intelligence mission. Defense Department action to deliver the deep penetration RB-57 planes is being deferred pending receipt of your comments on this matter.⁴

Gordon Gray

² On June 11 Defense Minister Yu Ta Wei raised the question of reconnaissance coverage with Deputy Assistant Secretary Sebald during a visit by Sebald to Taipei. The Minister pointed out that the Chinese Communists were building airfield complexes some 500-700 miles from the coast, and he asked the United States to provide reconnaissance aircraft with increased range so that reliable intelligence could be obtained. (Memorandum of conversation by Sebald, June 11; *ibid.*, 793.563/6-1156)

³ On July 28 Gray sent a memorandum to Dulles to provide additional information in support of the proposal to transfer RB-57 aircraft to the Republic of China. Among the factors assessed in the memorandum was the Chinese reluctance to fly reconnaissance missions. Gray noted that the Republic of China had lost three pilot crews during the previous 15 months due to defection. President Chiang was, therefore, reluctant to order any reconnaissance flights beyond those requested by the U.S. Taiwan Defense Command. (*Ibid.*, 793.0022/7-2856)

⁴ No reply to this letter has been found in Department of State files. According to notes prepared by Phyllis D. Bernau of a telephone conversation between Secretary Dulles and Allen Dulles on July 20, the Department was prepared to accede to the shipment of the RB-57 planes to Taiwan, but had some reservations concerning their use:

"AWD returned the call and the Sec. said he had what was said to be an emergency call from Defense re sending aerial reconnaissance planes to Taiwan. Sec. said he thinks it said your people agreed. Sec. said he happened to think what AWD told

Continued

197. Telegram From Ambassador U. Alexis Johnson to the Department of State ¹

Geneva, July 26, 1956—2 p.m.

71. Three-hour five-minute meeting this morning mostly on renunciation. While Wang renewed his proposal move to trade and made few general remarks thereon, he didn't press hard ² and discussion revolved around renunciation along familiar lines. This phase meeting closed on inconclusive note with Wang stating progress depended on US putting forward constructive opinion and my characterizing obstacle as lack willingness PRC give up threat use force Taiwan area.

After I made opening statement on renunciation Chang made fairly extensive reply ending with proposal move to "discussion concrete measures lifting trade embargo." I replied thereto with renewal discussion on renunciation but weaving in points para 3 and 4 Deptel 60. ³ While Wang made few general remarks on lack justification for

him earlier and wondered whether it was coordinated. AWD said they were studying the matter but he did not know we made any request. The Sec. said they said you agreed. AWD said it should be coordinated and he will get hold of Cabell. The Sec. thinks the place is all right for local operations though they talked about considerable penetrations and this might be done through our friends there and if you are interested, it may be better to do it that way than the other. AWD will get hold of Cabell. The Sec. said Gray was calling us. We acceded to the shipping of planes and with the understanding their operations would be subject to further consideration." (Eisenhower Library, Dulles Papers, General Telephone Conversations)

¹ Source: Department of State, Central Files, 611.93/7-2656. Confidential; Priority; Limit Distribution.

² In his detailed comments on the meeting in telegram 76 from Geneva, July 27, Johnson characterized Wang's approach to the meeting as a "marking time" operation. (*Ibid.*, 611.93/7-2756)

³ In paragraphs 3 and 4 of guidance telegram 60 to Geneva, July 19, the Department outlined its opposition to discussion of the trade control item, stating that "we must maintain our fundamental position that there can be no fruitful discussion of this item under the overhanging threat of use of force; that there must be a meaningful agreed announcement by parties renouncing force before trade embargoes can be usefully discussed". Johnson was instructed to point out that it was unrealistic to think that any country would help to strengthen another country which threatens to use force if its demands are not met. (*Ibid.*, 611.93/7-1956) In letter No. 51 to Johnson, July 20, McConaughy offered additional insight on the Department's position on the trade control item:

"You will see that we are taking a strong line in refusing to discuss trade controls in the absence of a renunciation of force. It is substantially the position you took last November, and the position you recommended in your comments on the last meeting. We debated for some time whether we should also state that discussion of trade or any other practical matter would additionally be contingent on full Chinese Communist compliance with the agreed announcement. We somewhat reluctantly decided not to put this in, for tactical reasons. At the same time you will understand that this second condition, although not to be expressed by you at this time, still stands. If they

Continued

embargo which "outstanding issue which hinders normal development relations" permitted himself to be led back into discussion renunciation and remainder phase this meeting kept that subject.

I made long statement on implementation covering points contained para 1 Deptel 60 ⁴ tying it back to his previous statements on necessity talks be advantageous both sides and characterizing results agreed announcement as one-sided disadvantage to US. Wang replied along usual lines, only thing new being reference to "recent move by US try to send Chinese in US in prison to Taiwan" but without directly referring to letter to prisoners. ⁵

I proposed next meeting Tuesday [Thursday] August 2. Wang countered with suggestion Thursday August 9 to which I agreed.

Departing Prague Friday morning.

Johnson

should agree to renounce force, we would then point out that they would have to make good on their commitment of September 10 before we could go on to any other practical matter at issue." (*Ibid.*, Geneva Talks Files: Lot 72 D 415, Geneva—Correspondence Re US-PRC, 1955-1956)

⁴ Paragraph 1 of telegram 60 to Geneva reads as follows:

"We believe it is important at the coming meeting to protest the prolonged failure of Communists to implement the agreed announcement on return of Americans. Point out agreement made more than 10 months ago, return was to be expeditious, and that 90 days had even been discussed as a limit of time. Point out our full compliance in letter and spirit with announcement, and our recent action in arranging for deportation of Chinese in prison, although they not covered by announcement. Point out that this U.S. decision made in light Communist repeated claims that they included so that there could be no possible basis for Communist continued refusal to release U.S. prisoners. Point out difficulty in making arrangements for exercise by prisoners of choice of repatriation and for participation by Indian Embassy; incomprehensible failure of Indian Embassy to cooperate due to request by Communists that it do not do so. Point out difficulty of making progress toward further agreements when those already made are not lived up to."

⁵ In June the Department sent letters to all Chinese aliens serving terms in American prisons indicating that they would be given the option of continuing to serve their sentences or immediate departure for either the Chinese mainland or Taiwan, and that they would be visited in order to determine their preference. Text of this letter was sent to Geneva in telegram 2105, June 7. (Department of State, Central Files, 611.93/6-756)

198. Memorandum of a Conversation, Presidential Residence,
Yang Ming Shan, Taiwan, August 1, 1956, 10 a.m. ¹

PARTICIPANTS

President Chiang Kai-shek
Madame Chiang
Vice President Chen Cheng
Foreign Minister George K. C. Yeh
Colonel S. K. Hu
Admiral Arthur W. Radford
Ambassador Karl L. Rankin

INTERPRETED BY

Minister Yeh

RECORDED BY

Colonel Hu

President: Admiral, you used to visit the Far East at the end of every year. Is there any special mission which caused your visit at this time of the year?

Radford: I came over expressly for the inauguration ceremony of the Naval Air Station at Cubi Point, P.I. Since I am already in this part of the world, I feel that I should take advantage of this opportunity to visit also the other allies in the Far East. Apart from this, I have no other mission to perform.

President: What is the latest United States policy toward the communists?

Radford: The United States does not intend to initiate any military action against the communists. On the other hand, we will not permit the communists to start any aggression anywhere. For example, if the communists tried to invade Thailand, the United States, based on her commitments arising out of the South East Asia Treaty Organization, would offer armed support to Thailand.

President: I have recently dispatched a letter ² to President Eisenhower, suggesting plans to puncture the iron curtain. I should like to hear your views, Admiral.

Radford: At the present, we cannot start a war. Even if there is necessity of war, we must make the communists bear the responsibility of starting the war.

¹ Source: Department of State, Central Files, 110.12-HE/9-2557. Secret. Drafted by Colonel Hu. The source text is attached to a covering memorandum from Deputy Under Secretary Murphy to Under Secretary Herter, August 25, 1957. According to an August 24 letter from Ambassador Rankin to Admiral Radford, Colonel Hu took the only notes of the conversation taken at the time and prepared the memorandum of conversation from those notes. (*Ibid.*, Rankin Files: Lot 66 D 84)

² Document 169.

President: My plan does not directly involve the United States. Its chief aim is to keep alive and strengthen the anti-communist movements on the mainland, so that they can be ready when the opportune moment comes.

Radford: In the eyes of the outside world, any military action conducted by the armed forces of the Republic of China will be regarded as having United States sponsorship. After all, the Chinese armed forces must rely on United States for equipment, ammunition and other supplies.

President: If the United States could encourage the peoples behind the iron curtain to rise up against their communist rulers, it will be something similar to the United States policy of liberating the captive nations. The communists have announced their "New Look" policy for the time being. Neither the Soviet Russians nor the Chinese Communists would want to appear to start any war within the next three to five years. We should pick on the enemy's weak points and make use of this opportune moment to instigate and sustain anti-communist movements behind the iron curtain. The United States does not have to participate directly, but she should not hinder other nations in their actions to liberate their own peoples. Please tell President Eisenhower that if we do not make use of the chance this time, the chance may never come again. It is no use having a policy of liberation and taking no actions now. The real purpose of giving aid to other nations will also be lost.

Radford: The anti-communist front line of the United States is a huge link stretching from the North Pole to the Pacific. Along this front line, the United States maintains treaties of alliance with many allied nations. If action is intended anywhere along the line which needs American concurrence and support, the United States must consider the opinions of the other related allied nations. The United States maintains many military bases in various Asian and European countries. If she acted against the will of these allied nations, I am afraid it would affect the maintaining of American military bases in those countries. As to clandestine activities behind the enemy lines, the United States has supported The Republic of China in parachuting a small number of persons to the interior of the Chinese mainland for sabotage activities. Owing to the tight control of the Chinese Communists, such activities have not been successful.

President: I feel the attitude of the United States in extending aid to other countries tends to be rather subjective. I do not question for a minute the value and propriety of the United States aid, but I do feel the methods can be improved. United States aid might be used much more effectively if you could be more objective and listen more to the opinion of the local people.

Yeh: What the President means is that United States aid to China should be geared to our final objective of recovering the Chinese mainland.

President: If we do not have an objective and a plan for counter-attack, there is no significance in our being here in Taiwan. We shall certainly ask for your concurrence when the moment comes for us to implement any plan, but you must first agree to the principle underlining any plan of counterattacking the mainland. Indefinite waiting with no plan will seriously affect the morale of our troops and people.

Radford: I completely understand and agree with the President's ideas. But if you were in President Eisenhower's position, Mr. President, you would perhaps agree to the two factors that must be considered: (1) Most of the American people are descendants from European countries, thus their sentiment is unavoidably pro-European. (2) From a military point of view, without the cooperation of her allies in Europe, United States cannot single-handedly start any war. At the present moment, simply by agreeing to your starting any military action will draw criticism, if not objection, from many other allies, both in Europe and Asia.

President: I do not think other allied nations can accuse you, as long as the United States does not directly participate in the actions.

Madame: At least we should let the people on the mainland know that the purpose of the United States aid to the Republic of China is not to defeat our final objective of liberating the mainland. In other words, the purpose of aiding Taiwan is not just to defend Taiwan.

Radford: This is exactly the United States policy toward China, only that we cannot express it in your way. Frankly speaking, there are still many countries in the world who are against your going back to the mainland. President Eisenhower often has to defend the action of the United States Government in continuing its aid to Taiwan. If President Eisenhower openly supports any plan for you to counterattack the mainland, I am afraid it will seriously affect his re-election. I would like to list two points for your attention, Mr. President: (1) If it is for the mere purpose of defending Taiwan only, the present strength and magnitude of the armed forces now on Taiwan already far exceed the needs. (2) Under the present world opinion, no United States President can afford to openly support your counterattacking the mainland. Even many of your good friends in the United States Congress would not advise the United States President to do so.

The purpose of giving aid to other countries is to produce enough strength with which they can resist aggression.

I have often traveled around the world, observing in first hand the political and military situations of different countries. I would be

unfaithful to you, Mr. President, if I did not tell you the true facts and my honest opinion.

President: I do not ask for any commitments from the United States. What I hope for is that you do not object and hinder our final objective of counter-attacking the mainland. The current public opinion, particularly in Hongkong, feels that the United States is restricting our actions.

The report about the possible reduction of the United States armed forces will have a most unfortunate impact upon Asia. If you are to announce your reduction without offering instead some suitable guarantee of your liberation policy, the peoples in Asia, particularly the intellectuals, will tend to believe in the Chinese Communist propaganda line—that the United States is following the Soviet Union in disarming, and the next step will be the abandoning of the United States overseas bases.

Radford: In Asia, most of the United States Army units are stationed in Korea. There are no United States troops in Taiwan, neither is there any need for United States to station troops in Japan. Soviet Union was not the first one to reduce the number of ground troops. Three years ago, shortly after the Korean armistice, the United States reduced 700,000 men from its armed forces. We should never overlook the fact that our fire power has been on the increase. And, if countries like Japan and Germany, where United States troops are stationed, formally demand the withdrawal of the United States troops, we have no reason to refuse. The United States ground forces in Europe can be replaced by the ground forces of the European countries, while United States atomic weapon units will remain to support them. Some people have the wrong conception that the United States is going to reduce all of her overseas forces. As a matter of fact, the United States Government has not announced any plan to reduce her armed forces. Come what may, we will keep on strengthening our Air Force and Naval bases overseas, and our fire power will be even greater than ever. If the communists think we are reducing our strength and dare try to find out, they will be committing a serious mistake.

President: I would like to summarize our talk into the following three points:

(1) The Soviet "New Look" may expose her weak points and trap her in her own device. It is unlikely now that she will start a war within the next three to five years. This is a good chance for us to do something to make it impossible for the communists to start any major war in the future.

(2) Implementation of the armed forces reduction plan must be in keeping with the liberation policy. It will be very unwise to forget the latter.

(3) Our liberation plan does not need United States participation, but it is hoped that the United States will not object to the actions on the part of the aid receiving countries to liberate their own peoples. Best chance comes in the next three to five years. It may never come again.

The Asian problem boils down to the problem of the Chinese Communists on the mainland. If we can uproot the Chinese Communist regime within two to three years, the Soviet Russians will then be deprived of their biggest capital asset, consequently they cannot start any major war. To uproot the Chinese Communists, it is not necessary to increase United States aid, nor would the United States be involved in a war. We can devise some economical ways and means to achieve it. I do hope the United States aid will support a plan with the liberation of the Chinese mainland as its final objective. If it meets with your President's approval, we can discuss the details. For example, two years ago we requested 30,000 parachutes. The request was subsequently reduced to 10,000 parachutes. The cost would not have been much, but they would be very useful in our counterattack action. Unfortunately, the United States Government did not agree to that request.

Radford: Airborne operation of such magnitude needs proper logistic support, as well as complete air superiority. The large amount of long-range air transports needed for such operation will be difficult to acquire. It will be very difficult to push such plans for the time being.

President: We shall drop the men at places where enemy's strength is the weakest. They will subsist on the land, needing no outside supplies. About 100 men will be dropped everytime to occupy neighboring cities, and soon we shall be able to control vast areas.

My basic concept for counterattacking the Chinese mainland is as follows: (1) Uprising movements on the mainland must be instigated within the next three years. Otherwise, success will be even more difficult. (2) As soon as there are uprising movements on the mainland, help can be sent from the outside. I hope the United States would help to realize this plan. In its implementation the United States will not be involved.

Radford: If your plan does not include any direct landing operation on the mainland coast, the United States Government may be willing to study the plan.³

³ In an October 8 letter to Radford, Rankin reported that, during a recent visit to Taipei by Allen Dulles, President Chiang took up the idea of 30,000 parachutes with Dulles. Rankin noted that Dulles intended to discuss the matter with Radford on his return to Washington. (Department of State, Rankin Files: Lot 66 D 84) On November

199. Memorandum From the Deputy Under Secretary of State for Political Affairs (Murphy) to the Deputy Assistant Secretary of State for Far Eastern Affairs (Sebald) ¹

Washington, August 6, 1956.

Mr. Cyrus Sulzberger of the *New York Times* informed me today that he and Messrs. Lieberman and Durdin ² had all received telegrams yesterday afternoon direct from the Peiping Government inviting them to visit Red China. ³ He inquired what the Department's "real" attitude is on the question of American correspondents visiting Red China. I told Mr. Sulzberger that as far as I knew there is no difference between the official prohibition against any American citizen travelling to Red China and the sentiment in the Administration. Mr. Sulzberger pointed out that undoubtedly of the fifteen who apparently have been invited by Peiping, there will be one or more who may accept regardless of passport restrictions. If they did what would the Department's attitude and action be? I said I believed that the holder of the passport who would violate the regulations governing it might subject himself to the loss of his passport but that this undoubtedly would have to be decided when the case arose. He said that obviously the problem of what to do placed a newspaperman in a difficult position because there is undoubtedly a most interesting story to be obtained. He said he was particularly eager to visit Ulan, Bator, and Lhasa, and other points in western China.

I told Mr. Sulzberger that a great many correspondents, including members of the staff of the *New York Times*, for months past had been eager to undertake such an assignment. He pointed out that now, however, Peiping had actually issued an invitation to do so.

Mr. Sulzberger also said he had visited President Eisenhower this morning and had raised the question. He indicated that the President had not given any firm indication of what Mr. Sulzberger should do. ⁴

21, Assistant Secretary Robertson wrote to Rankin about Chiang's request for authority to proceed with his parachute proposal: "On basis of information available to us, we believe that the type of operation described by President Chiang would have very dubious prospects for success". He noted, however, that CIA and Defense were in a better position to judge the practicability of the proposal, adding that the Department would consider any initiative that came from them. (*Ibid.*, Central Files, 793.5/11-2156)

¹ Source: Department of State, Central Files, 911.6293/8-656. Confidential.

² Henry R. Lieberman and Tillman Durdin of the *New York Times*.

³ Invitations were extended to representatives of the *New York Times*, the *New York Herald Tribune*, the *Christian Monitor*, *U.S. News & World Report*, *Business Week*, *Nation*, Associated Press, United Press, National Broadcasting Company, Columbia Broadcasting System, and International News Service.

⁴ See the memorandum *infra* for the President's reaction. Sulzberger also called Dulles on August 6 to ask for visas in order to accept the Chinese invitation. Dulles

I also said that as the *New York Times* is one of the most prominent and reputable American newspapers and as the name of Sulzberger is closely associated with it, violation of the publicized policy of this Government in his case would be doubly noticeable.

There is no doubt that the present Chinese invitation will be most tempting to the correspondents invited and we can expect that one way or another some will try to take advantage of it. I think that immediate study should be given to this question so that there will be no doubt about the Department's attitude when questions are raised.⁵ Undoubtedly Mr. Linc White will have to meet questions about this immediately and I suppose the Secretary will be queried by the press at the first opportunity.

returned the call on August 7 and explained that the existing restrictions on travel to China would have to continue to apply. (The notes taken on these telephone conversations are in Eisenhower Library, Dulles Papers, General Telephone Conversations.)

⁵ Telegram 388 to Hong Kong, August 6, contained the following instruction for consular officials: "Department's position disapproving travel Americans Communist China unchanged. There is no intention reexamine this policy so long as Americans remain imprisoned Communist China". (Department of State, Central Files, 911.6293/8-856)

200. Memorandum of a Telephone Conversation Between the President and the Secretary of State, Washington, August 7, 1956, 3:14 p.m.¹

The Pres. returned the call, and the Sec. referred to the problem re the invitation for correspondents to go to Red China. The Sec. said he feels we should oppose it and read the statement.² The Pres. said

¹ Source: Eisenhower Library, Dulles Papers, White House Telephone Conversations. Transcribed by Phyllis D. Bernau.

² On August 7, the Department released a statement relating to the Chinese invitation which reads as follows:

"The Department of State has taken note of the fact that the Chinese Communist regime has announced that it has invited certain United States newspaper correspondents and commentators to visit Communist China.

"The State Department has taken this occasion to review carefully its policy with respect to the non-issuance of passports validated for travel to Communist China. After such review, it continues to be the policy of the State Department not to issue such passports.

"The United States welcomes the free exchange of information as between different countries irrespective of political and social differences. But the Chinese Communist regime has created a special impediment. It adopted the practice of taking American citizens into captivity and holding them in effect as political hostages. It continues to do so despite the fact that on September 10, 1955, at Geneva, it promised that all

Continued

it is one of those things where you are dammed if you do and dammed if you don't. The Pres. found out about it yesterday from Cy Sulzberger. The Sec. referred to the Geneva talks. The Pres. said to get in the thought that it is our policy to open up exchanges etc. but Red China has not made it possible for self-respecting countries to do it, etc.

[Here follows a discussion of cotton policy.]

Americans in Communist China would be allowed expeditiously to exercise their right to return to the United States.

"So long as these conditions continue it is not considered to be in the best interests of the United States that Americans should accept the Chinese Communist invitation to travel in Communist China." (Department of State *Bulletin*, August 20, 1956 pp. 313-314)

201. Telegram From Ambassador U. Alexis Johnson to the Department of State ¹

Geneva, August 9, 1956—3 p.m.

129. 1. Two hour twenty minute meeting today. Wang opened with statement that ten months have been spent on discussion renunciation of force suggested by US and in spite three PRC drafts submitted US still "stubbornly clinging unacceptable demands." While I had indicated willingness hear PRC views on trade, my statements had indicated I did not intend to carry on businesslike discussion and settle this matter. This was "unfair and unequal" and hoped this was not my intent. Therefore formally proposed we agree discuss question embargo seek practical settlement.

2. In reply I made long statement reiterating renunciation as first essential step in seeking peaceful settlement disputes, therefore could not agree we abandon efforts reach agreement on this subject. Reviewed history negotiations on this stressing retrogression May 11 draft, PRC attempt confuse with other issues and establish preconditions for renunciation. Also reasserted inseparable relationship between renunciation and trade but reminded him I had previously agreed inclusion subject trade our discussions therefore willing to hear his views. Also reiterated invitation amplify aspects they had in mind in accordance questions asked my Nov 3 statement as well as

¹ Source: Department of State, Central Files, 611.93/8-956. Confidential; Priority; Limit Distribution.

reiterated statement made last meeting that no advantage to US in trade where goods received can be used support use of force.

3. In reply he agreed renunciation force declaration "is at the heart of the disputes between us" as attested by their patience ten months negotiations on this and three successive drafts. I still failed put forward any views which eliminate obstacles to agreement and no progress could be made by repeating old arguments. He then made statement we should strive step by step to resolve disputes, embargo was against interest both countries, violated accepted international principles trade, prejudiced interests other countries and provoked extreme dissatisfaction people other countries, lifting would be first step in improvement of relations as well as in interest American people, etc., etc. Wanted to hear my views with regard to first steps for lifting embargo. Should not entangle with other subjects or establish preconditions.

4. I replied with statement charging they seeking unilateral advantage from talks as demonstrated by their position with respect renunciation and trade and then led directly into implementation pointing out contrast between advantages resulting agreed announcement to PRC and US. With respect Americans in prison retrogression not only in rate of release as compared with situation prior agreed announcement but PRC pattern now apparently requiring remaining Americans serve full terms as shown cases Phillips, Clifford and Pinger whereas prior agreed announcement at least some Americans being released before completion unjust sentences. Also half remaining Americans have not communicated with UK Chargé evidence they being prevented obtained from Phillips and Clifford. Contrasted our offer permit Indians visit all prisoners.² Then referred to Dept's Aug 7 press statement,³ giving him copy and particularly calling attention to last sentence.

5. He replied rejecting argument abolishment trade embargo solely in interest PRC stating even among US authorities "some people recognize necessity abolishing." They were continually receiving applications from American journalists for permission visit China and they had now agreed in order correct false stories and let them see construction of new and industrialized China. Also to refute slanders about iron curtain or bamboo curtain. Pointing out PRC had ap-

² In letter No. 52 to Johnson, August 3, McConaughy indicated that the Indian Government had confirmed its earlier refusal to participate in the process of interviewing Chinese prisoners in American prisons. On August 1 Assistant Secretary Robertson had approached Ellsworth Bunker, President of the American Red Cross, with the proposition that the Red Cross should substitute for the Indian Embassy in conducting the interviews. Bunker agreed that the Red Cross should play the necessary neutral role. (*Ibid.*, Geneva Talks Files: Lot 72 D 415, Geneva—Correspondence Re US-PRC, 1955-1956)

³ See footnote 2, *supra*.

proved applications without asking reciprocity, he wondered if US would have been able give reciprocity. Charged US was actually iron curtain country and was absurd for US to attempt exploit their approval these applications for "blackmail" and demands extraneous preconditions. World and even American press would blame US. As far as Chinese in US concerned many who had returned told of efforts by INS persuade them go to Taiwan or not return and when insisted on returning such unreasonable time limits imposed as prevent them bringing personal belongings. This violates spirit agreed announcement and at variance my statements freedom Chinese to depart.

6. I refuted his charges with usual arguments not single case obstruction brought attention Indian Embassy, etc., and pointed out only action by his government could remove impediments if they desired Americans visit PRC. In view their record with respect Americans in China my government would be delinquent its responsibility protection American citizens if it took any other attitude. ⁴

7. He proposed, I agreed next meeting Tuesday Aug 21. ⁵ Departing Prague Friday morning.

[Johnson]

⁴ The Department's attitude, as outlined in guidance telegram 124 to Geneva, August 6, was that, in view of recent Chinese invitations to American students and journalists to visit China, "we consider it timely to remind Communists again how strongly we feel about their continued detention our citizens". (Department of State, Central Files, 611.93/8-656) Johnson noted, in letter No. 42 to McConaughy, August 9, that he had carefully avoided saying anything about "forbidding" American correspondents to accept the invitation to visit China. He had in mind the legal questions involved in the situation, and anticipated that the problem might lead to requests from some of the relatives of American prisoners in China to travel to the mainland. (*Ibid.*, Geneva Talks Files: Lot 72 D 415, Geneva—Correspondence Re US-PRC, 1955-1956)

⁵ In expanded comments on the meeting in telegram 134 from Geneva, August 9, Johnson stated that Wang's attitude at the meeting, "and proposals at this and recent meetings on timing subsequent meetings also appears indicate they intend continue 'marking time' operation for next two months or so". (*Ibid.*, Central Files, 611.93/8-956)

202. Telegram From the Acting Secretary of State to the Consulate General at Hong Kong ¹

Washington, August 20, 1956—5:35 p.m.

514. Department has been under heavy pressure from American publishers and press associations to acquiesce in visits to Communist China of their correspondents who have been offered visas. Acting Secretary and senior officials Department met 17th with Starzel ² of AP following indications AP proposed to despatch Roderick ³ to Communist China in contravention US policy. Starzel unsympathetic US position but reluctantly agreed refrain from sending Roderick if policy expressed Department's press release August 7 ⁴ were specifically and publicly approved by the President. He recognized that no employer of American correspondents likely defy explicitly expressed position of President on this matter.

President afternoon August 18 approved following statement which was issued as Departmental press release ⁵ at noon today:

"The Acting Secretary of State today stated that the President has authorized the Department to make clear the President's full concurrence in the policy statement issued by the State Department on August 7, 1956 regarding travel to Communist China".

You are authorized to give this notice such local publicity among American correspondents and other Americans who may possibly be contemplating travel Communist China as you deem appropriate.

Department wishes use suasion based on obligations of citizenship rather than threats and warnings to deter travel. Any travel by Americans at this time would jeopardize conduct of foreign relations and would work against the national interests of the U.S. by (a) militating against our negotiations to bring about release American citizens held as political hostages in Communist China and (b) tending to defeat our efforts and pressures to penalize Chinese Communists for refusal to adhere to generally accepted international standards. This should be conveyed by you to any citizens who seriously contemplate travel to Communist China.

¹ Source: Department of State, Central Files, 911.6293/8-2056. Secret; Priority. Drafted by McConaughy, approved by Murphy, cleared by Sebald and Robertson in FE, and by Deputy Assistant Secretary E. Allan Lightner in P. Also sent to Seoul, Moscow, Taipei, and Tokyo with instructions to pass to CINCFE for information. Repeated for information to Geneva for Ambassador Johnson.

² Frank Starzel, General Manager of the Associated Press. A memorandum by Lightner of the conversation on August 17 among Hoover, Starzel, and other representatives of the Department and Associated Press is *ibid.*, 911.6293/8-1756.

³ John Roderick, Associated Press representative in Hong Kong.

⁴ See footnote 2, Document 200.

⁵ Department of State *Bulletin*, September 3, 1956, p. 376.

FYI Department does not at this time intend use threat of court action against prospective violators. If suasion ineffective, sole immediate sanction contemplated is limitation passports of violators to make them valid solely for direct return to U.S. Department might also inform prospective violators that:

1. Inasmuch as unauthorized travel to Communist China would interfere with the conduct of foreign relations of U.S., such action would of course have to be taken into consideration by Department in connection with any future application for passport facilities.

2. Any unlicensed financial transactions by American citizens with Communist China, including purchase of any goods or services while in Communist China, constitute violation of Foreign Assets Control Regulations of Treasury Department, issued pursuant to Trading with the Enemy Act.

3. Individuals cannot escape personal obligations as American citizens by pleading instructions from employer.

Note that you are not authorized initially to use any of warnings and admonitions contained in this FYI section. End FYI.

Inform Department priority if travel of any American seems imminent so that you may be appropriately instructed.

Murphy

203. Telegram From Ambassador U. Alexis Johnson to the Department of State ¹

Geneva, August 21, 1956—2 p.m.

167. One hour fifty minute meeting today. I opened with statement along lines para 1 Deptel 176. ² Wang replied stating "did not deny declaration force one of central issues" failure reach agreement due US persistence "unreasonable demands" and "deliberately creating obstacles." Merely saying should not abandon search for declaration and "not offering concrete changes" did not contribute progress. Should not entangle ourselves any longer this regard. Pleased note

¹ Source: Department of State, Central Files, 611.93/8-2156. Confidential; Priority; Limit Distribution.

² Paragraph 1 of guidance telegram 176 to Geneva, August 17, reads as follows: "Maintain position that you willing listen to Wang's views on embargo but that it is unrealistic expect discuss fruitfully this collateral problem until principle renunciation of force has been accepted. So long as Chinese Communists threaten to settle disputes by force threatened party cannot be expected contribute directly or indirectly through trade to build-up of that force. Urge Communists give further consideration US April 16 revision of Wang draft as acceptable formula for mutually advantageous renunciation of force in Taiwan area." (*Ibid.*, 611.93/8-1756)

that I willing listen to his concrete opinions on trade and proposed draft agreed announcement (text by separate telegram ³).

In reply I rebutted his statements on responsibility lack progress renunciation force and reiterated inherent relationship to subject trade avoiding any direct comment on his proposal. During considerable give and take he then tried hard tie me down to either flat refusal or commitment discuss his proposal. ⁴ I avoided both. From amount conferring his assistants over my replies and other signs, gained definite impression his intent was to set stage for at least public statement if I flatly refused, or in even count obtain commitment discuss to propose so informing press [*sic*].

During subsequent give and take I picked up his statement that "reasonable resolution" trade problem "would contribute to resolution other disputes" as occasion for reviewing questions US had thus far presented here, that is, detained Americans, renunciation force, and missing UNC personnel, asking him whether implication his statement these problems would be resolved if US agreed with them on trade matters. He avoided trap. In reply my review concessions we had made in agreed announcement to obtain resolution problem detained Americans and our disappointment at results he replied that if US had "faithfully abided by announcement situation would be much more satisfactory." I of course rejected this. In reply my review concessions we had made on renunciation force he said if US had accepted principle of mutual respect in May 11 draft agreement could have been reached. He rejected missing personnel as not in terms of

³ Johnson transmitted the text of the Chinese draft agreed announcement to the Department in telegram 168 from Geneva, August 21:

"In order to bring about a gradual improvement of Sino-American relations and relaxation of international tension, Ambassador Wang Ping-nan, on behalf of the Government of the People's Republic of China, and Ambassador U. Alexis Johnson, on behalf of the Government of the United States of America, agree to announce: the People's Republic of China and the United States of America hold that they should adopt measures respectively on their own initiative to eliminate the existing barriers which interfere with trade between their two countries." (*Ibid.*, 611.93/8-2156)

⁴ In extended comments on the meeting in telegram 172 from Geneva, Johnson stated that he believed "Wang's tactics today directed toward facing US with dilemma of whether to refuse any discussion trade and thereby build up their position on continuation talks along lines Chou's Peoples Congress speech, or to agree to discussion, when any agreement our part discuss trade, however tentative or contingent, would be exploited by them to accelerate undermining our international position on trade controls". (*Ibid.*) Johnson noted, in letter No. 43 to McConaughy, August 20 and 21, that he felt his position in the talks was becoming more difficult: "Of course, once I have taken a flat stand against discussion of trade until renunciation of force is resolved it would be very difficult for me to recede from it and this can well start us on the road to an actual or de facto break. On the other hand I recognize the almost insuperable difficulties of giving me any basis on which I could discuss trade in a positive sense even contingent on a satisfactory renunciation of force." (*Ibid.*, Geneva Talks Files: Lot 72 D 415, Geneva—Correspondence Re US-PRC, 1955-1956)

reference. Agreed his proposal next meeting Thursday Sept 6. Returning Prague Wednesday morning.

[Johnson]

204. Editorial Note

At 12:30 a.m. on August 23, a United States Navy patrol plane was shot down off the Chushan islands in the East China Sea. Based on its final reports the plane was approximately 180 miles north of Taiwan and 32 miles east of the Chinese mainland when it was shot down. A broadcast from Peking on August 23 indicated that Chinese aircraft had damaged a "Chiang Kai-shek" aircraft near the Chushan islands. Some of the aircraft's wreckage and two bodies of crew members were recovered after an extensive search of the area by United States naval aircraft. Two more bodies were later recovered on the Chinese mainland and returned by Chinese authorities to American officials in Japan. On August 25 the United States inquired, through the British Chargé in Peking, about the missing plane and any survivors. The Chinese Foreign Office replied on August 27, denying knowledge of an American plane or crew, but referring to an attack by Chinese aircraft on a "Chiang military plane" which had intruded into Chinese air space. The note stated that if the plane was a United States naval aircraft, China "could not but express great regret", but must also register a serious protest with the United States Government over the intrusion into China's territorial air space. The United States responded on August 31 with a lengthy press release issued jointly by the Departments of State and Defense which reviewed the history of the incident, concluded that responsibility lay with the People's Republic of China, and demanded compensation for the loss of American lives and property. In a press release issued in Peking on September 3 the Chinese Government rejected United States demands for compensation as "unjustified", but the United States submitted a formal demand for compensation through the British Chargé in Peking on September 10. The Navy discontinued the search for survivors on September 13. The Chinese press release of September 3 is summarized in the *New York Times*, September 3, 1956. Texts of all of the remaining exchanges and press releases cited here are printed in Department of State *Bulletin*, September 10, 1956, pages 412-414, and *ibid.*, September 24, 1956, pages 483-484.

205. Telegram From the Secretary of State to the Embassy in the Republic of China ¹

Washington, August 30, 1956—4:14 p.m.

170. Embtel 978. ² Inform Chinese Government U.S. desires position flight of Matador missiles on Taiwan. Missiles will make distinct contribution toward improving defensibility Taiwan and U.S. hopes GRC willing cooperate this project. If GRC agrees in principle, we will make detailed proposal at early date. ³

Dulles

¹ Source: Department of State, Central Files, 711.56393/5-456. Top Secret. Drafted in CA by Douglas N. Forman, cleared in CA by Clough and in FE by Sebald, and approved by Robertson.

² Document 173.

³ In telegram 209 from Taipei, September 2, the Embassy reported that the Foreign Ministry agreed and welcomed the proposal to position a flight of Matador missiles on Taiwan. (Department of State, Central Files, 711.56393/9-256)

206. Memorandum on the Substance of Discussions at a Department of State-Joint Chiefs of Staff Meeting, Washington, August 31, 1956, 11:30 a.m. ¹

[Here follows a list of 25 persons present, including Joint Chiefs of Staff Admiral Radford, General Taylor, and Admiral Arleigh A. Burke. Assistant Secretary Gray and General Fox represented the Department of Defense. The Department of State delegation included Deputy Under Secretary Murphy and Assistant Secretary Robertson. Cabell and Wisner attended the meeting for the CIA and S. Everett Gleason for the NSC. The first items discussed were 1, "French Military Effort in Viet Nam" and 2, "The Suez Situation".]

3. MAAG Advisers on the Chinese Off-Shore Islands

Mr. Robertson pointed out that President Chiang and other Chinese Government leaders have been greatly perturbed over reports that the United States may be planning to withdraw its MAAG advisers from the off-shore islands. Admiral Radford explained that the Chinese troops on the islands are now fully trained and no longer need MAAG advisers for instruction purposes. The Pentagon is anx-

¹ Source: Department of State, State-JCS Meetings: Lot 61 D 417. Top Secret. A note on the title page reads: "State Draft. Not cleared with any of participants". Drafted by the Deputy Under Secretary's Special Assistant, W. Tapley Bennett.

ious to cut MAAG expenses, and the idea had been to have a gradual attrition of the advisers stationed on the off-shore islands. The main problem from the U.S. point of view is that we would lose our independent communications facilities. He agreed that it would perhaps be best to plan for a reduced number of advisers rather than to withdraw the entire group. A small group could be left on the islands, possibly for communications purposes entirely. Mr. Murphy suggested that consideration be given to the issuance of a press release which would make it clear that the United States is not withdrawing its forces from the islands.

[Here follows discussion on items 4, "Japanese Labor Relationships of U.S. Armed Forces" and 5, "Austrian Force Levels".]

6. Plane Incident off the China Coast

There was discussion regarding salvage operations with respect to the Navy plane shot down last week by the Chinese Communists. Mr. Robertson mentioned that he had discussed the situation with the Secretary and that the Secretary was not clear in his own mind regarding our legal position with respect to salvage operations on the floor of the sea, as distinct from surface operations to which the traditional three mile limit would apply. The Secretary thought the President should know of the problem and that his views should be ascertained. Admiral Radford pointed out that underwater devices to locate the plane wreckage were on the way to the scene in international waters but that the wreckage itself has not yet been located. Therefore, the question of salvage has not yet arisen. The Navy has the problem of protecting the security of certain equipment which was on board the plane and a major reason for our forces remaining in the area is for the purpose of preventing the Chinese Communists from finding the wreckage and removing it. He stressed that all that was needed now was State Department clearance for the surface search. Once the wreckage was located the problem of salvage operations could be faced.

There was some further discussion regarding a press release to be issued the afternoon of August 31 regarding the plane incident.²

² See Document 204.

207. Telegram From Ambassador U. Alexis Johnson to the Department of State ¹

Geneva, September 7, 1956—2 p.m.

230. One hour fifty minute meeting this morning. I opened with statement along lines Paragraphs 1 and 4 Deptel 248, ² handing him copy Aug 31 press release. ³ He replied with statement on renunciation force and trade reiterating old points and then made fairly extensive prepared statement on plane incident during which he refused pickup Aug 31 press release, as "only PRC has right make protest this incident" and handed me copy Sept 2 PRC press release. In reply I pointed out that in my original statement I said I did not intend enter into discussion plane incident here and was giving him copy press release as matter of courtesy in order that his authorities would have full and accurate text. Noted we had already received through UK copy Sept 2 PRC release but glad take copy he had handed me. Then made fairly extensive statement on trade and renunciation force making it more explicitly clear than in opening statement that I was not willing discuss trade until they had accepted principle of renunciation force and agreement reached on text declaration. In course this statement emphasized our record flexibility on language renunciation force statement and willingness to consider and reconsider any language that preserved essential principles. Hoped he would be in position next meeting abandon May 11 draft and seriously negotiate with me on text which would preserve area of agreement shown our April 19 draft. Avoided any expressed or implied commitment we would present new draft. ⁴ In reply Wang

¹ Source: Department of State, Central Files, 611.93/9-756. Confidential; Priority; Limit Distribution.

² Paragraph 1 of guidance telegram 248 to Geneva, September 5, dealt with trade controls. Johnson was instructed to decline to discuss the Chinese draft agreed announcement on trade, or to discuss either the Chinese multilateral trade control system or the U.S. embargo on trade with China. The U.S. refusal to discuss trade controls was based upon: "(a) persistent Chinese Communist refusal to renounce force which makes it unthinkable on national security basis for U.S. to contribute through trade to Communist China industrial and economic build up; and (b) Chinese Communist breach of Agreed Announcement of September 10 which casts serious doubt on Chinese Communist good faith in implementation of any commitment Chinese Communist representatives may enter into". The Department took the position that "even if Chinese Communists have made firm decision suspend talks unless we make concessions on trade, we do not intend to yield to pressure on trade issue". In paragraph 4 of the guidance telegram, Johnson was instructed to give Wang the text of the August 31 press release dealing with the attack on a Navy patrol plane in the East China Sea, and to tell Wang that "this tragic occurrence demonstrates anew need for genuine Chinese Communist renunciation of force". (*Ibid.*, 611.93/9-556)

³ See Document 204.

⁴ In expanded comments on the meeting in telegram 231 from Geneva, September 7, Johnson noted that Wang, "more clearly than ever in past", invited a new American

Continued

accused me merely repetition old positions and stated PRC "would have to consider making its position public". With respect to plane incident picked-up copy August 31 press release as "informal document for their information only." I expressed regret they intended again resort publicity and propaganda and said that if they made statement US would, of course, have to consider making reply.

I then made strong and extensive statement on implementation in reply to which he asked whether US willing to release all Chinese in prison US "so they could return." I of course immediately reiterated our position on Chinese prisoners and pointed out PRC bears full responsibility any delay in return any who might desire do so.

I agreed his suggestion next meeting Thursday Sept 20. Returning Prague tomorrow, arriving Sunday evening.

[Johnson]

draft on renunciation of force: "While we can reach decision on tactics for next meeting only after seeing their public statement, believe it probably would contribute to our objective if at next meeting I was able introduce another draft on renunciation that would give appearance of something new". (Department of State, Central Files, 611.93/9-756)

208. Letter From the Director of the Office of Chinese Affairs (McConaughy) to Ambassador U. Alexis Johnson in Geneva ¹

Letter No. 55

[Washington,] September 13, 1956.

DEAR ALEX: The American Red Cross gave us on September 12 their report ² on the interviews with the Chinese prisoners. They did a very thorough job. They carried out their instructions precisely, presenting the three choices very fairly and explaining the matter fully and impartially. We can say with confidence that no pressure of any sort was exerted on the prisoners, and that they were afforded an opportunity to make up their own minds on the basis of full and exact information, without any interference. Three prisoners elected to go to Mainland China, two to Taiwan, and nineteen preferred to remain in prison to serve out their sentences. The remainder had already been released under normal prison regulations. We are having

¹ Source: Department of State, Geneva Talks Files: Lot 72 D 415, Geneva—Correspondence Re US-PRC, 1955-1956. Secret; Official-Informal.

² Not found in Department of State files.

the reports on each of the 24 cases reproduced for transmittal by pouch to you either today or Monday.

We have not yet decided whether we will bring the Indian Embassy into the picture as to the three who wish to go to Mainland China. We are leaning in that direction mainly because we want to do everything possible to influence Peiping to give O'Neill more scope in his efforts to help our imprisoned nationals. At least we want to put them as much on the defensive as possible if they refuse to give O'Neill any better access. We also would like to present the Communists with the bill for the transportation of these people. Indian participation would make that possible. On the other hand Indian participation might slow up the procedure, when we are impatient to move the three out of here as fast as possible. No final decision has been made yet. But we already are working with the Immigration and Naturalization Service and the Bureau of Prisons on the preliminary steps looking in the parole of the three individuals for shipment out of the country. Immigration and Naturalization Service does not care whether they are deported or leave voluntarily with Indian assistance.

The GRC is committed in writing to take any prisoners who choose Taiwan so long as the Indians are not allowed to interview the prisoners. We intend to hold them to this commitment. We had Dr. Tan in yesterday and gave him the results of the interviews. We are sending you by pouch a copy of our telegram to Taipei³ reporting on the interview and explaining why we prefer that the GRC not insist on visiting the prisoners. Tan did not raise the matter yesterday and we are hopeful that they will not rock the boat. We have had a good and complete survey and any interference with the prisoners at this stage by the GRC representatives could only be harmful.

Enclosed are various press releases on the U.S. Navy plane incident of August 23,⁴ including our note of protest of September 8 which the British delivered in Peiping September 11; an announcement on the reported finding by the Chinese Communists of the body of a second member of the crew, Jack Curtis; and U.S. Navy statement of September 13 announcing the discontinuance of search operations and the planned shipment of the two bodies recovered by the Communists from Shanghai to Japan on September 22.

We are also enclosing a report⁵ by Col. Monroe on his recent visit to the MAC concerning the accounting for the missing servicemen.

³ Telegram 204 to Taipei, September 13. (Department of State, Central Files, 211.9311/9-1356)

⁴ See Document 204.

⁵ Not found.

We are having a meeting this afternoon to discuss the guidance for your meeting of September 20. The main topic will be the question of whether we will propose any changes in the draft on renunciation of force.

Mr. Phleger was away on leave for a while and since his return has been pretty much tied up because of the Suez crisis. We expect him at the session this afternoon.

For your background things are looking a little better on the trade controls question. By agreeing to give a little ground on the China list, we have brought the Japanese more or less into line. We have had high level meetings with the British, French, Germans and Italians at which we have presented quite strongly our case for preserving a substantial China differential, with some concessions on our part. We are hoping that with Japanese support, combined with the pressures we are putting on these countries, we can hold the line at least for the near future. A CG meeting is contemplated for December.

Everybody here likes the way you handled the last meeting. While we naturally do not invite any resort to publicity by the Chinese Communists, we are prepared to meet it and do not fear it.

Keep up the good work. Regards from us all to Dave, Helenka and Col. Ekvall as well as to you.

Sincerely,

Walter P. McCaughy

209. Editorial Note

On September 21 the Ministry of Foreign Affairs in Peking issued a statement containing the text and justification for the draft agreed announcement on the question of the trade embargo which had been put forward in the Geneva talks on August 21. Text of the Chinese statement was transmitted to the Department in telegram 293 from Geneva, September 22; Department of State, Central Files, 611.93/9-2156. For text of the Chinese draft agreed announcement, see footnote 3, Document 203.

The United States responded with a press release issued by the Department of State on September 24:

"For more than thirteen months the United States has been carrying on discussions with the Chinese Communists at Geneva directed toward bringing about the release of our imprisoned citizens and obtaining a commitment from the Chinese Communists for a meaningful renunciation of force to include the Taiwan area. Neither of

these objectives has yet been achieved. On September 21 the Chinese Communists issued a statement announcing that they had proposed in the Geneva meetings that discussions be shifted to the question of relaxation of trade restrictions, but that the United States had 'in effect refused.'

"The United States is not prepared to enter into a discussion of trade restrictions with the Chinese Communists at a time when they continue to refuse to renounce the use of force in the Taiwan area and continue to hold imprisoned American citizens as political hostages, despite their pledge in the Agreed Announcement of September 10, 1955, to permit them expeditiously to exercise their right to return. We have so informed the Chinese Communists at Geneva.

"It is hardly reasonable to expect the United States to discuss a relaxation of its trade restrictions when the trade that would result from such a relaxation would strengthen a regime which refuses to renounce the use of force against us." (Department of State *Bulletin*, October 8, 1956, page 553)

210. Telegram From Ambassador U. Alexis Johnson to the Department of State ¹

Geneva, September 22, 1956—11 a.m.

297. Two hour and five minute meeting this morning. ² I opened with statement along lines para 1 Deptel 301. ³ While reaffirming same line on means liberation Taiwan China's internal affair his replies were largely pro forma. He did not respond to my subsequent goading him on subject and I obtained nothing new with respect renunciation. ⁴ He repeated any further moves renunciation must come from US.

¹ Source: Department of State, Central Files, 611.93/9-2256. Confidential; Priority; Limit Distribution.

² The meeting was initially scheduled for September 20, but was postponed until September 22 at Chinese request. (Telegram 279 from Geneva, September 19; *ibid.*, 611.93/9-1956)

³ Paragraph 1 of guidance telegram 301 to Geneva, September 17, reads as follows:

"Renunciation of force. Again show how our April 19 revision introduces minimum changes Communist December 1 draft which provided reasonable starting point for negotiation although not in itself sufficiently explicit constitute acceptable formulation renunciation of force declaration. These changes were essential to demonstrate to world both sides sincerely willing renounce use of force Taiwan area and pursue objectives by peaceful means only. Characterize Communist May 11 draft as step backward. (FYI After thorough consideration possible reformulation our April 19 revision, we are satisfied our objectives best served by holding to present draft. We consider it strong position on which defend ourselves publicly against Communist propaganda effort. We do not contemplate any revision. End FYI.)" (*Ibid.*, 611.93/9-1756)

⁴ In letter No. 45 to McConaughy, September 22, Johnson commented that "Wang's tone at today's meeting was that of injured innocence, trying to make it

Continued

After making brief reference to trade he introduced draft announcement on "mutual contacts and cultural exchange"⁵ attempting take strong offensive throughout remainder meeting this subject, citing US "obstruction", (Porgy and Bess, Peiping Opera, journalists, Peiping Whitman attendance).

I cited their treatment Americans including officials from time Communist takeover mainland, failure implement Agreed Announcement, and kept coming back to renunciation force and policy hostility threat use force as block to improvement our relations which must be removed before any attempt made deal other problems.

Next meeting Oct. 4. Returning Prague Sunday morning.

[Johnson]

hard as he could for me to take a tough line". (*Ibid.*, Geneva Talks Files: Lot 72 D 415, Geneva—Correspondence Re US-PRC, 1955-1956)

⁵ Text of this draft announcement, as conveyed to the Department in telegram 301 from Geneva, September 22, reads as follows:

"In order promote mutual understanding between peoples China and U.S., in order resume traditional friendship between peoples China and U.S., Ambassador Wang Ping-nan, on behalf government People's Republic of China, and Ambassador U. Alexis Johnson, on behalf government of U.S. of America, agree announce: People's Republic of China and U.S. of America will adopt measures respectively on their own initiative to eliminate existing barriers interfering with freedom of mutual contacts and cultural exchange between peoples of their two countries."

In expanded comments on the meeting in telegram 302 from Geneva, September 22, Johnson noted that he felt that Wang's proposal on what Wang orally termed "human contacts" and cultural exchange was part of a continuing pattern of attempting to build up a record of "sweet reasonableness." (*Ibid.*, Central Files, 611.93/9-2256)

211. Memorandum From the Director of the Office of Chinese Affairs (McConaughy) to the Assistant Secretary of State for Far Eastern Affairs (Robertson)¹

Washington, October 1, 1956.

SUBJECT

Adverse Effects of Geneva Talks.

REFERENCE

Your Oral Request of September 27.

1. The talks create doubts throughout Asia concerning the steadfastness of American opposition to Communist China. They encour-

¹ Source: Department of State, Central Files, 611.93/10-156. Secret. Drafted by Clough and McConaughy.

age the belief that the United States is seeking to negotiate privately a "deal" with Peiping which would leave in the lurch our Asian friends who have been following our lead on China policy. The secrecy and the long duration of the talks lend color to this suspicion. This plays into the hands of all of those throughout Asia who advocate policies of closer relationships for their countries with Communist China. (See Tab A for documentation ²)

2. The talks are no longer an effective means of bringing about the release of our imprisoned citizens. They may now have the opposite effect. If the Chinese Communists consider the talks of value to them (which they evidently do) they may continue to hold some Americans hostage to ensure that the talks continue. They may estimate that if all Americans were freed we would have attained our objective and immediately terminate the talks.

3. It is damaging to American prestige, particularly in Asia, for the U.S. to go on talking with a regime which is brazenly violating the only commitment they have made to us in the course of the talks. It would be more in keeping with our national dignity and would be readily understood throughout the world if we were to refuse to talk any longer with a regime which has shown its contempt for us by flouting its word. The tactical advantages we have obtained at Geneva could be preserved by the right type of break-off statement, which would emphasize that we would welcome at any time a bona fide Chinese Communist renunciation of force declaration.

4. The talks are not a conclusive factor in preventing a Chinese Communist attack on Taiwan or the offshore islands since the initiation of the Communist "smiles" campaign. The major deterrent is the presence of powerful American armed forces. The second important deterrent is the Chinese Communist desire to maintain a peaceful posture before the world. These two factors would continue to operate, even though the talks were terminated.

5. The talks are regarded with great antipathy and misgivings in Taiwan. We have made unusual efforts to reassure the GRC, without any success in allaying their apprehensions. Nothing would give a greater boost to morale on Taiwan than for the U.S. to break off the talks. As they see it, we have given the Communists a chance to undermine the whole anti-Communist position in Asia by merely releasing ten American citizens and signing an Announcement which would in fact be worthless.

6. The Chinese Communists are eager to establish a posture of desiring relations of every kind with the United States. Our policy is to deal with them only when we must. Under these circumstances,

² Not found attached.

the Communists have the initiative in the talks, being in a position to make (and to publicize at the opportune moment for them) proposal after proposal of a seemingly praiseworthy character, such as those on trade and free travel and cultural exchanges which we must reject. This keeps us on the defensive and gives the Communists a great advantage.

212. Telegram From Ambassador U. Alexis Johnson to the Department of State ¹

Geneva, October 4, 1956—2 p.m.

359. Two hour ten minute meeting this morning. Wang opened with long prepared statement "reviewing ground" at beginning fifteenth month going over familiar ground renewing charge US attempting obtain PRC abandonment territory and sovereignty and as result US intransigence "talks have become deadlocked," "US purposefully procrastinating meetings." ² It is up to US stop using force and threat of force against PRC. Charge of September 24 statement ³ PRC holding Americans political hostages is "slander." PRC list of 55, 52 Chinese not yet returned, and of US list of 103, 26 not yet returned. US still holding Chinese in prison and should "adopt measures on own initiative in same manner as PRC enable them exercise right to return." US using charges on civilians as pretext to cover up

¹ Source: Department of State, Central Files, 611.93/10-456. Confidential; Priority; Limit Distribution.

² In his expanded comments on the meeting in telegram 362, October 4, Johnson reiterated his conviction that the Chinese were preparing to break off the talks: "Wang took expected line which fits in with previous pattern and reaffirms my belief they are attempting put selves in position carry out break or indefinite recess within next few meetings". (*Ibid.*) Johnson expanded his analysis in letter No. 46 to McConaughy, October 4:

"I may well be wrong and you all may well be right, but I do not think it can be assumed because they have continued talking up to now they will continue to do so indefinitely. During past months I have been able to do a certain amount of stringing them along and dangling a certain amount of 'pie in the sky', but I have now largely run out of that as I have never been in a position where I could say if you do so and so we will do so and so. I full well realize the reasons it has never been possible to enable me to take any such positions, but I know also that you realize the extremely narrow limits in which this has required I operate. As I did full well realize this at my last meeting I threw renunciation in the cultural exchange package and strengthened it today. My only point is that with the material now at hand, I do not feel confident that I will be able to keep things going much longer. Perhaps I feel low this afternoon after the verbal exercise of this morning and perhaps I am unduly pessimistic." (*Ibid.*, Geneva Talks Files: Lot 72 D 415, Geneva—Correspondence Re US-PRC, 1955-1956)

³ See Document 209.

procrastination in meetings. In order break deadlock PRC had made embargo and cultural exchange proposals. Failure make progress on main issue renunciation should not stop effort make progress on minor issues. In view President Eisenhower's Geneva proposal on cultural exchange and contacts,⁴ no reason for US refuse PRC proposal this field.

I made long extemporaneous statement in reply incorporating first three paras Deptel 374.⁵ (As I had previously sent him copy September 24 statement and he referred to it in opening statement, I did not read out full text at meeting but wove in substantive language at appropriate points.) Charged them with procrastinating on renunciation pointing out that whenever agreement seemed near they retreated to pleas of internal affairs sovereignty, etc. Made long charge on mistreatment Americans in China including numbers of those imprisoned, numbers those who died, etc., leading up to charge that PRC is one who had cut off cultural and human contacts, and coming back to fundamental importance implementation September 10 announcement. During course this statement I made it entirely clear no discussion trade or cultural exchange until renunciation force and release of Americans achieved.

In reply Wang charged me with trying to "poison" our negotiations and during course rebuttal referred to three groups Americans in China: Those who continue reside freely; those who opposed Chinese people; and those "dropped from air carrying poison, pistols and bombs." Did I expect them treat latter as distinguished guests? Cited long list alleged US wrongs against "Chinese people", bombings, occupation territory, etc., etc., and for first time in talks mentioned UN membership, alleging US pressure on others deny PRC legitimate rights in international affairs including representation UN. PRC attempting by every means improve relations. If US intends use talks poison relations "what is good of continuing such talks." PRC efforts shown by successive draft proposals. With respect cultural relations Americans are protesting against own government's denial permission journalists visit China and appears American government has lost

⁴ The White House Office in Geneva issued the statement as a press release on July 22, 1955. (Department of State *Bulletin*, August 1, 1955, pp. 174-175)

⁵ These paragraphs read as follows:

"1. In connection with Communist proposal that there be announcement on cultural exchange US position is that there can be no such exchange while US citizens held in Communist jails and in violation Agreed Announcement. Point out how inconsistent with cultural relations is the refusal of Communists to make meaningful renunciation of force.

"2. Refer to exchange of public statements on trade restrictions and read Department's September 24 statement into record.

"3. If Wang should attempt open discussion on trade repeat reasons why we must decline to discuss." (Department of State, Central Files, 611.93/10-256)

confidence in own people as well as system. PRC made cultural exchange proposal "in friendly spirit." Failure US give favorable consideration this proposal would require PRC consider giving publicity thereto.

Meeting closed with my renewing charge PRC procrastinating on accepting simple and fundamental renunciation force proposal as well as on carrying out agreement already reached on release American[s]. I refuted his lack confidence charge and while regretting their threat again go to public, expressed confidence world could judge.

Next meeting Thursday, October 18. Departing Prague tomorrow morning.

[Johnson]

213. National Intelligence Estimate ¹

NIE 43-56

Washington, October 9, 1956.

THE PROSPECTS OF THE GOVERNMENT OF THE REPUBLIC OF CHINA ²

The Problem

To estimate the present strength and weakness of the Government of the Republic of China and its prospects.

Conclusions

1. The Government of the Republic of China continues to exercise firm political control on Taiwan. With US assistance, an expanding economy has been maintained and the strength of the armed forces has been increased. At the same time, however, the international position of the National Government has declined, causing an increased feeling of insecurity and concern for the future.

¹ Source: Department of State, INR-NIE Files. Secret.

² According to a note on the cover sheet, "The following intelligence organizations participated in the preparation of this estimate: The Central Intelligence Agency and the intelligence organizations of the Departments of State, the Army, the Navy, the Air Force, and The Joint Staff". All members of the Intelligence Advisory Committee concurred in this estimate on October 9, 1956, except for the Atomic Energy Commission representative and the Assistant Director, Federal Bureau of Investigation, who abstained because the subject was outside of their jurisdiction.

2. So long as President Chiang remains in power no substantial change in Nationalist policy is likely to occur. Should he die prior to the expiration of his present term of office in 1960, Vice President Ch'en Ch'eng would probably succeed to the presidency without provoking internal disturbances. However, the difficulties that would confront the National Government internationally would be substantially increased and domestically Ch'en's authority would probably be increasingly contested by Chiang Chingkuo, the elder son of President Chiang.

3. If present international trends persist, international acceptance of the National Government as the government of China and the prospects of realizing the objective of a return to the mainland will almost certainly continue to decline. Although the Chinese Nationalists almost certainly believe that the US will not assist them in an attempt to return to the mainland by force, the morale on Taiwan probably will not weaken critically so long as the people there remain confident of firm US support for the defense of Taiwan.

4. In the longer run, it is likely that evidence of growing prestige and material progress on the part of the Chinese Communists will have a serious impact upon the attitude of the people on Taiwan. Were this situation compounded by increased uncertainty on Taiwan over continued US support, the task of sustaining morale and loyalty might exceed the capabilities of Chiang or his eventual successor.

[Here follows the text of NIE 43-56.]

214. Telegram From Ambassador U. Alexis Johnson to the Department of State ¹

Geneva, October 18, 1956—noon.

415. Two hour twenty minute meeting this morning. I opened with statement along lines para 1 Deptel 440 ² except that only

¹ Source: Department of State, Central Files, 611.93/10-1856. Confidential; Priority; Limit Distribution.

² Paragraph 1 of guidance telegram 440 to Geneva reads as follows:

"Major portion your presentation should be devoted to attacking Communist failure carry out pledge made in Agreed Announcement. Lead off with McCarthy case as typical example of Communist disregard of pledged word. First point out McCarthy and other nine Americans should have been released long ago if clear language of Agreed Announcement had any meaning. Now one of nine belatedly permitted write British Chargé stating he is unjustly prevented from leaving and requesting representations his behalf. When Chargé endeavored investigate case as provided in Agreed Announcement his representative prevented from seeing McCarthy, after Communists

Continued

stated prison authorities refused permit UK Chargé representative see McCarthy, not mentioning prison official allegation McCarthy did not wish interview. (My thought was if Wang briefed on subject and made this statement would use it as point for counterattack. However during discussion it was obvious he not briefed on any details McCarthy case.) He made no response my notification we were considering public statement and after extemporaneous rebuttal my opening statement along familiar lines, made prepared statement opening with sentence "talks have now come to stage where no progress can be made". Reviewed negotiations along familiar lines and then alleged US has revealed "it deliberately blocking progress in Ambassadorial talks and is fearful of any improvement in Sino-American relations". PRC has exerted "greatest efforts" which have not been rewarded and considers such "futile situation should not continue any longer".³ PRC therefore formally proposes the holding

had authorized interview and made appointment. Statement by prison official that McCarthy did not wish interview is not credible. Note written evidence that McCarthy wanted interview and ask why prison official refused permit Chargé's representative verify McCarthy's wishes." (*Ibid.*, 611.93/10-1656)

The "McCarthy case" cited in telegram 440 was explained in greater detail in McConaughy's letter No. 57 to Johnson, October 12:

"The principal event since your last meeting has been the Chinese Communist last-moment refusal to allow Addis, the British Counselor from Peiping, to see Father McCarthy in Ward Road Jail in Shanghai on October 5, after all arrangements had been made and after Addis arrived at the prison. Addis was met with the bland statement from the officials that McCarthy had changed his mind and did not want to see Addis. The officials added that they could not force McCarthy to have the interview. Addis was naturally taken aback, but did what he could by way of remonstrance. The British are of course as aware as we are that McCarthy did not voluntarily change his mind. The Communist claim was either an outright lie, or else they had broken McCarthy. We suspect that they want to demonstrate to the British that they are wasting their time in trying to see the prisoners. The Communist decision may have been made after they allowed Father McCarthy's letter to O'Neill to be delivered. We are enclosing a copy of the full text of this letter, which shows that Father McCarthy was alert and resolute when he wrote the letter. We have it from other sources that he probably is the most resourceful and durable of the remaining Shanghai prisoners, which makes it all the more unlikely that he would have voluntarily given up the fight. Since this represents a callous and completely indefensible hardening of the Chinese Communist position, Mr. Robertson believes that we should attack Wang very vigorously on it at the October 18 meeting." (*Ibid.*, Geneva Talks Files: Lot 72 D 415, Geneva—Correspondence Re US-PRC, 1955-1956)

³ In his expanded comments on the meeting in telegram 416 from Geneva, October 18, Johnson repeated his conviction that the Chinese were preparing to break off the talks and he added that "barring unforeseen reversal only question is timing." (*Ibid.*, Central Files, 611.93/10-1856) McConaughy, in letter No. 57 cited in footnote 2 above, noted that the Department did not feel that the Chinese were likely to withdraw from the talks. In any case, the Department felt itself to be in a very strong position on the prisoner and renunciation of force issues: "By way of general comment, don't expect any new tack to be authorized here on either of the two big issues. The emphatic conclusion here is that our position is unassailable on both questions and that any attempt to look for new wording on renunciation [or] otherwise show any 'give' would only weaken our position, both from a tactical standpoint and from the standpoint of our public position when the eventual public showdown comes."

of a foreign ministers conference "to discuss the questions of relaxing and eliminating tensions Taiwan area, as well as questions mutual renunciation force by China and US, lifting embargo, peoples contacts and cultural exchange,⁴ etc.". "What is at stake is the future of Sino-American relations and indeed peace of Far East and world". In reply I reviewed history their bad faith implementing first agreement and their refusal abandon use force Taiwan area as showing futility discussion at any other level. If they desired resolve these problems could be done between us as Ambassadors, if they did not desire resolve them changing level would make no difference. US would not negotiate under threat of force.

During subsequent give and take he did not attempt force any more specific reply, obviously content let matter rest here until next meeting, and subsequent discussion centered around implementation with my continuing come back to McCarthy case, PRC refusal permit third party arrangement operate absence representations Indian Embassy etc. Wang consistently took refuge in Taiwan entry permit charge.

Next meeting Friday, November 2. Returning Prague tomorrow.

[Johnson]

⁴ On October 16 the Foreign Ministry in Peking and the Chinese Delegation in Geneva released the text of the cultural exchange proposal which had been advanced during the September 22 session of the Geneva talks. The Chinese statement noted the "American side has refused to discuss Chinese proposal for promotion of mutual contacts and cultural exchange between their peoples on pretexts that no agreement has yet been reached on question renunciation force and that a few Americans who offended Chinese law are still serving their sentences in China". The Department assessed the press reaction to the Chinese statement and concluded that it had "fallen flat". Johnson was informed in telegram 443 to Geneva, October 17, that the Department planned to ignore the statement as long as the press continued to do so. The Chinese statement was transmitted to the Department in telegram 406 from Geneva, October 16; *ibid.*, 611.93/10-1656. For text of the Chinese draft announcement on cultural exchanges, see footnote 5, Document 210. Telegram 443 to Geneva is in Department of State, Central Files, 611.93/10-1756.

215. Telegram From Ambassador U. Alexis Johnson to the Department of State ¹*Geneva, November 15, 1956—1 p.m.*

508. One hour fifty-five minute meeting today. ² I made opening statement pointing out progress thwarted by PRC unwillingness agree disputes would be settled by peaceful means only and PRC failure carry out agreed announcement, leading into McCarthy case ³ including charge UK has not even been permitted carry out clearly specified function investigation facts, and noting no reply UK Chargé's August 23 letter ⁴ requesting interview other prisoners.

Wang replied with somewhat perfunctory restatement their position last meeting on futility talks, deadlock and necessity for FMC, then shifting over to implementation. Additional example US obstruction was FBI investigation into Chinese students' correspondence with families which "fresh threat against those wishing to return and violation agreed announcement". On McCarthy stated his sentence expires June 1957, familiar restatement question right return does not arise prior to release, UK permitted interview accordance prison regulations but McCarthy refused. Referring US proposal Indians interview prisoners in US said this only "screening in disguise" and list prisoners given Indians incomplete. "If US wants UK Chargé be able contact US prisoners on own initiative US should give Indians list of all Chinese in US concerning [*including?*] all those in prison and agree Indian Embassy can contact Chinese in US on own initiative in unrestricted manner". Nevertheless if UK Chargé receives request from US prisoner in PRC interview will be permitted if it takes place conformity regulations. During course subsequent discussion also referred "Walter Robertson's aide-mémoire" ⁵ June 1 to Indian Embas-

¹ Source: Department of State, Central Files, 611.93/11-1556. Confidential; Priority; Limit Distribution.

² This meeting had been scheduled for November 2. In telegram 480 to Geneva, October 29, Johnson was instructed to request a postponement in light of recent developments in Eastern Europe which made his presence in Prague essential. (*Ibid.*, 123-Johnson, U. Alexis) Johnson replied, in telegram 456 from Geneva, November 1, that Wang had agreed to postpone the meeting until November 15 "for administrative reasons". (*Ibid.*, Central Files, 611.93/11-156)

³ Johnson was instructed, in guidance telegram 531 to Geneva, November 13, to continue to use the McCarthy case as an illustration of the Chinese failure to carry out their commitment to release the Americans held in China expeditiously. The Department considered that the McCarthy case represented a "major weakness in Communist position" which Johnson "should exploit to maximum". (*Ibid.*, 611.93/11-1356)

⁴ No copy of this letter has been found in Department of State files. Telegram 51 to Prague, August 27, contains the text of a telegram from the British Chargé in Peking to London reporting on his August 23 request to visit American prisoners in China. (*Ibid.*, 611.93/8-2756)

⁵ See footnote 4, Document 181.

sy stating Chinese prisoners in US not covered by agreed announcement. Thus US position has been self-contradictory.

There was extended give and take on implementation during which I vigorously attacked all aspects their position on Americans in prison. He was clearly on defensive. During course his defense he charged not single Chinese prisoner had returned from US. During course reply I stated "was now in position assure him that not single alien Chinese desiring return remains in US prisons". He rejected this as fact but did not press me for details and I [did?] not amplify.

At close meeting when he made pro forma statement hoping US Government would have something say next meeting on FMC proposal, I said had already made our position clear and when he replied they "didn't feel it was satisfactory" I sharply retorted that I not satisfied with responses his government and would like to see some efforts their part carry out agreement already reached. Also added that in view retrogression situation Americans in China" it would have been better if we had never made agreement". Meeting ended on this sharp note.⁶ I proposed next meeting Thursday, November 29 but agreed his proposal Friday, November 30.⁷ Departing Prague tomorrow.

[Johnson]

⁶ In his expanded comments on the meeting in telegram 514 from Geneva, November 15, Johnson characterized Wang's approach to the meeting as a "marking time operation". Although Johnson had pressed Wang sharply on implementation, "his responses were defensive and relatively mild". (Department of State, Central Files, 611.93/11-1556)

⁷ On November 15, Johnson wrote to McConaughy, in letter No. 49, concerning the continued Chinese participation in the talks: "I still feel that I was right about their intentions as of the end of the last meeting but they have postponed action for reasons about which we can only speculate". (*Ibid.*, Geneva Talks Files: Lot 72 D 415, Geneva—Correspondence Re US-PRC, 1955-1956)

216. Memorandum From the Joint Chiefs of Staff to the Secretary of Defense (Wilson) ¹

Washington, 30 November 1956.

SUBJECT

Report by the Interdepartmental Committee on Certain Aid Programs ²

¹ Source: Department of State, S/S-NSC Files: Lot 63 D 351, NSC 5610 Series. Top Secret. Transmitted to the NSC under a covering memorandum from Gleason, December 5.

² See Document 191.

1. Reference is made to your memorandum, subject as above, dated 7 November 1956,³ in which you requested the recommendations of the Joint Chiefs of Staff as to the minimum level of indigenous forces which in the best interests of the United States should be maintained in Pakistan, Turkey, Taiwan, and Iran over the next two years.

2. By memorandum dated 16 November 1956, subject: "Minimum Level of Indigenous Forces to be Maintained in Pakistan",⁴ the Joint Chiefs of Staff provided you with recommendations regarding Pakistan. The Joint Chiefs of Staff consider that the following discussion of force levels is applicable to Pakistan and Iraqi forces.

3. Although a capability for the maintenance of internal security must continue to have first priority in the development of the indigenous forces of the countries with which the United States has bilateral aid agreements, the Joint Chiefs of Staff consider that U.S. programs for development and support of these forces must be oriented toward the military situation most likely to be faced in event of external aggression and toward the mission which they can best perform.

4. A realistic appraisal must recognize that direct U.S. military intervention will probably be necessary in the event of external attack, particularly by the Chinese Communists or the USSR, if the area attacked is not to be lost. Based on the recognition that U.S. intervention may be necessary, the Joint Chiefs of Staff consider that a concept based on cooperative effort involving the pre-planning for the use of combined forces (U.S. and indigenous) in which each member contributes that which it can do most effectively, must be adhered to. While we should not specify in detail the forces which we would make available in the event of war, we should conduct joint planning with each of the nations involved and give a broad indication of a strategic plan whereby the United States would come to their assistance.

5. The Joint Chiefs of Staff consider that the force levels recommended herein represent the best estimates of minimum force levels that can be made based on the present guidance regarding the intentions of the United States to intervene in the event of external aggression against the countries involved.

6. The following comments on levels of indigenous forces to be maintained in Turkey, Iran, Taiwan, and Iraq over the next two years

³ Not found.

⁴ Transmitted by Memo for NSC from Executive Secretary, subject: "Report by the Interdepartmental Committee on Certain U.S. Aid Programs", dated November 21, 1956. [Footnote in the source text. The memorandum of November 21, enclosing JCS minimum force levels for Pakistan, is in Department of State, S/S-NSC Files: Lot 63 D 351, NSC 5610 Series.]

concern those levels in the current FY 58 MDA Programming Guidance.

[Here follow comments on indigenous force levels in Turkey and Iran.]

c. Taiwan

(1) A major objective of the United States with respect to Taiwan is the development of the military potential of the GRC in order to contribute to the collective non-Communist strength in the Far East. The Chinese Nationalists currently have in being an army of 21 active divisions. This force poses a constant and substantial threat to the Chinese Communists. So long as this threat remains, it will require that large numbers of Communist troops be committed to the defense of the Chinese mainland against possible attack. Therefore, the Joint Chiefs of Staff consider that, from a military point of view, any reduction of GRC forces would reduce the over-all capability of the United States to counter Communist Chinese threat.

(2) It is considered that the Chinese Communists have the capability to seize the Quemoy and Matsu groups, assuming that these islands were defended by Nationalist forces alone. Conversely, with U.S. assistance these islands could be held.

(3) The Chinese Communists have the capability to launch and support an initial assault against Taiwan and/or Penghu utilizing a maximum of 75-100,000 fully equipped troops. The assault could be supported by Fresco and Beagle aircraft using newly constructed fields in East China. Such an assault would probably succeed in reaching Taiwan if it were attempted against Nationalist naval and air forces only. However, it is considered that the United States, utilizing U.S. forces presently deployed to the Western Pacific, would prevent a successful Communist assault against Taiwan and Penghu.

(4) The Joint Chiefs of Staff consider that the substantial build-up in Communist air and naval forces and the improved logistical support capability in eastern Communist China during the past year would require tremendous increases in naval and air units to build up the GRC armed forces to a capability to withstand an all-out Communist effort to seize the Nationalist-held islands without U.S. naval and air support. Even if it were feasible, from a U.S. point of view, to increase the GRC armed forces, the technical capabilities of the Nationalist Chinese personnel and the industrial capacity of Taiwan limit the major force objectives of the Navy and Air Force to approximately the present levels.

(5) The Joint Chiefs of Staff consider that the minimum levels of indigenous forces which, in the best interests of the United States, should be maintained in Taiwan for the next two years are:

- | | |
|---------------|--------------------------------------|
| (a) Army | 21 Infantry Divisions |
| | 9 Reserve Infantry Divisions |
| (b) Navy | 85 Combatant Ships |
| | 1 Marine Division |
| | 2 Landing Vehicle Tracked Battalions |
| (c) Air Force | 24 Squadrons |
| | 29 AAA Battalions |

[Here follow comments on indigenous force levels in Iraq.]

For the Joint Chiefs of Staff:
Arthur Radford
Chairman
Joint Chiefs of Staff

217. Telegram From Ambassador U. Alexis Johnson to the Department of State ¹

Geneva, November 30, 1956—3 p.m.

570. Three hour fifteen minute meeting this morning. Following brief opening statement by Wang restating their position on fact and causes deadlock in talks and necessity FMC, entire remainder meeting devoted implementation. During course meeting I made points para one Deptel 587 ² and informed him arrival James Lew ³ stress-

¹ Source: Department of State, Central Files, 611.93/11-3056. Confidential; Priority; Limit Distribution.

² Paragraph 1 of guidance telegram 587 to Geneva, November 27, reads as follows: "Continue press for Chinese Communist fulfillment their commitments in McCarthy case and those of other Americans. US Government rejects Chinese Communist contention that imprisoned Americans, the very persons on whose behalf we negotiated Agreed Announcement, can be excluded by Chinese Communists from provisions Agreed Announcement, which they are bound to observe. Neither can US Government accept Chinese Communist refusal permit British Chargé exercise investigative functions prescribed under Agreed Announcement. Continued Chinese Communist violation of their pledged word can only force conclusion that their word cannot be relied on. (FYI In your presentation draw freely on exchange November 15 between British Chargé and Peiping Foreign Office. Department has decided not issue press release on McCarthy case prior next meeting but you should hammer away on this flagrant case. End FYI)" (*Ibid.*, 611.93/11-2756)

³ James Lew was the only alien Chinese prisoner interviewed by the American Red Cross to opt for deportation to the People's Republic of China. Johnson was informed, in guidance telegram 587 cited in footnote 1 above, that Lew had arrived in Hong Kong on November 19. According to telegram 407 to Taipei, November 13, the other two Chinese convicts originally opting to go to mainland China changed their minds and decided to complete their prison terms. (*Ibid.*, 211.9311/11-1356) In letter

Continued

ing he deported even though had served only small part his sentence and was not eligible for parole or release under normal regulations. Also informed him of ARC interviews of prisoners but did not mention those opting for Taiwan and this question did not arise. When he responded with usual charge prisoners could not make free choice and US should "on its own initiative" follow PRC procedure and release prisoners after which they could choose where they desire go I countered by pointing out PRC had followed deportation procedure in releases Americans at time of and immediately following agreed announcement. Throughout long give and take I continuously came back to all aspects McCarthy case as prime illustration their failure carry out agreed announcement. Wang retreated entirely behind repetition previous charges re Chinese in US in obvious attempt close off discussion and meeting with last word. This I refused accept and during last hour and half repeatedly refuted each his charges and turned discussion repeatedly back to Americans particularly McCarthy until he finally desisted from repeating his charges.

Next meeting Thursday, December 13. Departing Prague tomorrow morning.

[Johnson]

No. 50 to McConaughy, November 30, Johnson stated that the release of Lew had "immensely strengthened my hand". (*Ibid.*, Geneva Talks Files: Lot 72 D 415, Geneva—Correspondence Re US-PRC, 1955-1956)

218. Editorial Note

In a speech to the 611th meeting of the United Nations General Assembly on December 6 Indian Defense Minister V.K. Krishna Menon, who headed the Indian Delegation to the United Nations, appealed to the People's Republic of China to release the remaining Americans still being held in Chinese prisons. Such an action, Menon felt, would have the effect of "clearing the way for the consideration of other difficult problems without this barrier". (U.N. Document A/PV.611) According to letter No. 61 from Walter McConaughy to Ambassador Johnson, December 7, Menon's appeal was viewed in the Department of State as a Chinese authorized feeler, meant to lay the basis for Prime Minister Nehru's arrival in Washington on December 16 for talks certain to touch on relations between the United States and the People's Republic of China. (Department of State, Geneva Talks Files: Lot 72 D 415, Geneva—Correspondence Re US-PRC, 1955-1956) Chinese Premier Chou En-lai was in India at the

time, and was asked at Madras on December 6 to comment on Menon's statement that American prisoners might be released in the near future. Chou described Menon as a "very good friend of ours" who "always has optimistic hopes", but he made no further comment. (Telegram 116 from Madras, December 7; *ibid.*, Central Files, 033.9391/12-756)

219. Letter From President Chiang Kai-shek to President Eisenhower ¹

Taipei, December 11, 1956.

DEAR MR. PRESIDENT: I am asking my Foreign Minister, Dr. George K. C. Yeh, who is proceeding to the United States to attend the current session of the United Nations General Assembly, to extend to you in person my sincere felicitations on your re-election to the Presidency of the United States, and to present this personal letter from me, ² which contains some of my thoughts on the current world situation for your consideration. Your re-election is a blessing not only to the American people and the cause of Sino-American friendship, but also to the future of mankind.

The world situation today is, in my opinion, even more serious than what it was four years ago when you first assumed office. For this reason, it presents a greater challenge and a historic opportunity to the free world. The recent revolts in the satellite countries in East Europe foretell the eventual downfall of Soviet imperialism. It is for us now to give every encouragement and support to these forces of freedom so that they may grow in strength and effectiveness. We must never allow them to be ruthlessly suppressed and exterminated by their despotic rulers. For this would bring despair to the peoples behind the Iron Curtain and condemn them to perpetual enslavement.

In recent months, I am much disturbed by the mounting influence of neutralism, particularly in Asia. Disguised as a movement for peace, its evil influence does not seem to have been fully realized by the world at large. In order to combat Communism effectively, I feel

¹ Source: Department of State, Presidential Correspondence: Lot 66 D 204, Chiang Kai-shek Correspondence.

² Foreign Minister Yeh delivered the letter to Secretary Dulles in the Department on December 19. Delivery of the letter gave Yeh an opportunity to engage Dulles in a general discussion of U.S. policy as it pertained to China and the Middle East. A memorandum of this conversation, prepared by Sebald is *ibid.*, Central Files, 611.93/12-1956.

that we must at the same time direct our attention to holding neutralism firmly in check, so that the solidarity of the free world may not be impaired and the hopes of the enslaved peoples doomed. I am sure that in your position, you must be keenly aware of the dangerous ramifications of neutralism.

It is gratifying to note that the United States has taken strides in strengthening its own defense and in reinforcing that of the free nations through its military and economic aid programs abroad. This has indeed done much to deter Communist aggression. But Soviet Russia, apart from continuing with its active military preparations, is vigorously pursuing its well-known "protracted warfare" by resorting to all kinds of cold war tactics. As a result, the free world has been outmaneuvered into a passive position and Soviet Russia seems to be able to create situations in times and places of its own choice and to its own advantage.

In these circumstances, it seems to me that while avoiding a direct conflict with Soviet Russia and military involvement abroad, the United States, as the leader of the free nations, should assume the role of a world arsenal for the democracies in combatting Communism. Only thus can the United States make the fullest use of the available manpower and resources of its allies and wrest the initiative from the Communists. This is the only way to prevent the consolidation of the Communist forces and counter their further aggression.

Today, the inherent weaknesses of Communism are already beginning to manifest themselves as serious upheaval and unrest becomes widespread in all areas under Communist control. This might well be a turning point if the free world could take advantage of this favorable development by puncturing the Iron Curtain at its most vulnerable spots in Europe and in Asia. Once the Iron Curtain is punctured, the enslaved peoples behind it will rise in revolt against the Communist tyranny. Confronted with pressure both from within and without, Soviet Russia and its puppet regime in Peiping will be denied the advantage of massing their total strength for repression at home or aggression abroad. I feel that effective measures should be taken to carry out this positive strategy. If, on the contrary, we fail to heed the anguished appeals of the enslaved peoples, we would only prolong and intensify their sufferings while causing them to lose faith in the eventual triumph of freedom over slavery. The tragedy of the recent abortive anti-Communist uprisings in Poland, Hungary, and in Tibet and Sinkiang should be taken as a bitter lesson for the democracies.

I recall how, four years ago at the time of your election, the hopes of the free world were lifted by your farsighted statesmanlike references to the liberation of the captive peoples. Under your able leadership, the free world has made decided progress in its capacity

to deter aggression. This has given rise to greater hopes and expectancy on the part of the free world for the eventual deliverance of the enslaved peoples. Your re-election and the greater prestige which you now justly enjoy will make it possible for you to lead the free world to undertake this historic task, upon the outcome of which hinges the fate of mankind and human civilization.

I feel that you have now before you a task far greater in consequence and in the number of lives involved than that which was accomplished by President Lincoln in the emancipation of slaves in the United States. In this, I pledge to you my whole-hearted support and cooperation. As millions of people of the world are looking to you in their continuing struggle for freedom, it is my fervent hope and prayer that, under your leadership in the next four years of office, the world will see not only the emancipation of the captive peoples in Europe as well as in Asia, but also the fulfillment of our long-cherished aspirations for freedom, peace and justice.

My wife and I take this opportunity to send you and Mrs. Eisenhower our best wishes for a Merry Christmas and a Happy New Year.

Sincerely yours,

Chiang Kai-shek ³

³ Printed from a copy which bears this typed signature.

220. Telegram From the Ambassador in Pakistan (Hildreth) to the Department of State ¹

Karachi, December 12, 1956—3 p.m.

1643. Summoned by Prime Minister last evening. He gave me message to President Eisenhower dated December 11, set forth below which he requested cabled. *Verbatim text* (unnecessary words omitted).

My dear Mister President, during my visit Peking last month, I had several talks with Premier Chou En-lai as well as chairman Mao Tse-tung in course of which I explained my government's views on wide range subjects including Kashmir question, Bandung conference, defensive nature Pakistan's alliances and threat of direct or indirect aggression Chinese leaders expressed views on most of subjects They reaffirmed their belief in principles of peaceful coexistence and reiterated desire for, and offer of, a collective security pact embracing all Asian nations.

¹ Source: Department of State, Central Files, 611.93/12-1256. Secret; Priority.

2. Sino-American relations also constituted an important topic of our discussion. Chou told me China had constantly been striving find practicable and feasible means of settling her disputes with US. Complained that US side deliberately dragged out Geneva talks and refused enter into any agreement on means of relaxing and eliminating tension in Far East.

3. On question of return of US nationals from China, Chou repeated accusation that United States has been continually haggling over implementation of Geneva agreement and of violating it by failing furnish China with complete list of names Chinese nationals under detention and those who are being prevented from returning China. So far as I understand position it is that Geneva agreement contemplated release those prisoners who were under detention and had not been convicted in accordance with legal process and that to circumvent agreement Chinese rapidly secured conviction eight Americans under detention. Hence your government regard Chinese as guilty of breach faith. In regard to Chinese on list, I understand there are no Chinese nationals under detention who are eligible for release and no Chinese nationals who have been prevented from returning to China. I should be grateful if you would be good enough let me know whether this correct and whether there is any further information you could give me to enable me discuss this matter further with Chou.

4. Chou also criticised US embargo on exports to China.

5. Chinese premier also blamed United States for latter's failure accept principle of renunciation of force. Chou emphasised that his government could never agree to two Chinas. He said the root cause of tension was US armed occupation of such Chinese territories as Formosa, Quemoy and Matsu. He alleged Hong Kong, Kowloon and Macao were being used by Kuomintang for disruptive activities against Chinese mainland. He referred to 800 American "bases" Japan, Philippines and Siam. He said tension this area could not be relaxed unless there was change in United States policy.

6. Chou finally pleaded: "We would ask you to tell your American friends that we want to be friendly with them. We are prepared to negotiate and extend our hand of friendship. Please see if you cannot bring about an understanding between us." He said he was prepared to go even to United States if that would help in furthering cause of peace.

7. Although we are fully aware your government's views, as elaborated in US State Department declaration January 21, 1956,² on Chinese allegations cited in paragraphs 2-5 above, I, nevertheless, think you would be interested to know view of Chinese leaders as expressed to me. My personal impression is that Peking would be prepared release remaining American prisoners if there is some indication from your side that US Government would be willing have a Foreign Ministers' conference as suggested by Chinese Communists at ambassadorial level talks in Geneva. As you know our government has in past years voted in favour of US resolution for postponement of question of Chinese representation in UN. There can be no doubt that, having recognized Central People's Government of China, we

² See Department of State *Bulletin*, January 30, 1956, pp. 164-166.

cannot but concede that it is entitled to represent China in UN. Continued elimination of China from UN is not only unrealistic but is unfortunately being used as an instrument of propaganda against US and her allies. This propaganda making considerable headway against our common interests, specially in Asia. In my opinion it would take away increasing bitterness from this propaganda if American public opinion could be persuaded agree abstain from opposing admission of Communist China into UN.

8. You also probably know that Chinese Prime Minister will be visiting Pakistan on 20 December, 1956 for about ten days. His visit would afford me further opportunities of exchanging views with him. If we could be of any use to your government in breaking deadlock caused by failure of Sino-American negotiations held Geneva, we would be glad to help. I am sure your government, like ours, would welcome every opportunity which could fruitfully be used for promoting cause of world peace and to bring harmony among nations.

With assurances of my highest consideration, yours sincerely,
(H.S. Suhrawardy).

End verbatim text.

Embassy comment: From Foreign Secretary Baig, I learned several days ago that above message had been prepared by Foreign Office immediately following return of Prime Minister from China October 29 but Prime Minister so swamped message had stayed on his desk. Foreign Office jumped him on this yesterday immediately on his return from week's visit to east Pakistan because Foreign Office wanted GOP to be in position to tell Chou En-lai when he arrives here that message had been delivered as agreed. Foreign Office also afraid Chou had told Nehru about GOP agreement deliver this message while Chou had been in Delhi in recent days and Foreign Office afraid Nehru might mention it to President Eisenhower. This accounts for request that message be cabled. Original signed message being pouched (Embassy despatch 387³).

Regarding Suhrawardy's evident desire continue with Chou discussion of US-ChiCom issues Department will recall he expressed complete agreement US position re prisoners (Embtel No. 1062⁴). Furthermore, Suhrawardy can be under no misapprehensions re US wishes that he not intercede with ChiComs on these issues. Pursuant

³ Despatch 387 from Karachi, December 12, transmitted to the Department the original text and four copies of Prime Minister Suhrawardy's December 11 letter to President Eisenhower. (Department of State, Central Files, 711.11-El/12-1256) The signed original of the letter is in Eisenhower Library, Whitman File, International File.

⁴ In telegram 1062 from Karachi, October 15, Ambassador Hildreth reported that he had reviewed with Prime Minister Suhrawardy various U.S. positions with respect to China prior to Suhrawardy's scheduled trip to China. The Prime Minister agreed, inter alia, that there could be no quid pro quo for the release of American prisoners held in China. (Department of State, Central Files, 033.90D93/10-1556)

instruction Deptel 835⁵ Ambassador and Counselor made this point very clear as reported Embtel 1062.

Obviously Suhrawardy wishes attempt replace Nehru as intermediary between Chou and US and in conversation said Chou told him he Chou mistrusted both Nehru and Nehru's influence with US Government and felt he Suhrawardy could [have?] more influence with US Government than Nehru.

Since Chou's visit begins December 20 request guidance before that date on nature reply to Suhrawardy, with special reference paragraphs 3 and 8 his letter; Suhrawardy obviously inclined to play mediator, despite discouragement passed on to him pursuant Deptel 835.

Hildreth

⁵ In telegram 835 to Karachi, October 10, the Department instructed the Embassy to brief Prime Minister Suhrawardy on the attitude of the United States with respect to China prior to the Prime Minister's visit to China. The Embassy was instructed to avoid giving Suhrawardy the impression that the United States wanted him to intercede on its behalf in Peking. (*Ibid.*, 033.90D93/10-1056)

221. Telegram From Ambassador U. Alexis Johnson to the Department of State¹

Geneva, December 13, 1956—noon.

605. Two hour fifty minute meeting this morning almost entirely on implementation except for review by Wang of FMC, trade, and cultural proposals with emphasis on latter two. Cited Coleman statement on trade² and American Assembly statements on trade and cultural relations and newsmen³ in support contention "American people" favor action on these subjects. If US genuinely desires settle problems it should express its views with regard to these specific

¹ Source: Department of State, Central Files, 611.93/12-1356. Confidential; Priority; Limit Distribution.

² Speaking in a televised interview on November 18, John S. Coleman, President of the U.S. Chamber of Commerce, called for the resumption of trade in nonstrategic goods between the United States and the People's Republic of China. (*New York Times*, November 19, 1956)

³ The tenth annual session of the American Assembly, a group of business, community, and government leaders sponsored by Columbia University, adopted a report on November 18 dealing with the United States and East Asia. Among other things, the report recommended that "American newspaper men be permitted to travel in mainland China", that "American scholars should be able to study China at first hand", and that measures be taken to liberalize "such trade with Communist China as would not impair the security position of the non-Communist countries". (*Ibid.*)

proposals on questions whose resolution would be easy and in interest both peoples.

Implementation discussion followed familiar lines ⁴ except that in reply he renewed charges US interfering with correspondence Chinese students, I made strong statement charging them with campaign bring pressure on students through organized letter-writing from families. He reiterated old position on imprisoned Americans and there was not slightest indication of any plans for early release.

In reply my suggestion January 10 next meeting he suggested January 12 and opposed January 17 and then finally agreed on Saturday, January 19. Returning Prague tomorrow.

[Johnson]

⁴ In guidance telegram 638 to Geneva, December 10, Johnson was instructed to: "Continue your excellent attack of November 29 on Chinese Communist progressive nullification of terms of Agreed Announcement, drawing again on McCarthy case to illustrate your points". (Department of State, Central Files, 611.93/12-1056)

222. Editorial Note

Indian Prime Minister Jawaharlal Nehru visited Washington with an official party December 16-20, 1956. Nehru discussed relations between the United States and the People's Republic of China in conversations with Secretary Dulles at Blair House on December 16, with President Eisenhower at his Gettysburg farm on December 17, and again with Eisenhower on December 19 in the President's office in the White House. A memorandum prepared by Dulles of his conversation on December 16 with Nehru contains a brief section dealing with China:

"We discussed briefly the Chinese Communist situation. I said that before there could be any change in our attitude there would have to be a number of changes on the part of the Chinese Communist regime. At the moment the sticking point was the ten Americans imprisoned. So long as they were imprisoned we could not allow other Americans to visit despite very strong pressures from our news-gathering agencies which have been invited by Communist China.

"Mr. Nehru said that Chou En-lai had indicated that there were failures on our part. I denied this in some detail and suggested that he check with Ambassador Mehta." (Eisenhower Library, Dulles Papers, General Memoranda of Conversation)

On December 18, Eisenhower discussed his exchange with Nehru at Gettysburg on the question of China in a telephone conversation with Dulles:

"The Sec. asked if they talked re Communist China and the Pres. said yes and at considerable detail. The Pres. said we don't use the word never but until these things that are going on have been relieved there is no sense talking about it. He said Chou said to him that so many have been released and nothing has been done by us. The Pres. said the hell it hasn't and explained what had been done. The Sec. said he talked to him Sunday and said if they let the 10 go we would take a different position on passports and that might break the logjam. The Pres. also spoke re breaking the Armistice terms in Korea." (Memorandum of a telephone conversation by Bernau, December 18; *ibid.*, White House Telephone Conversations)

A memorandum of Eisenhower's conversation with Nehru on December 19 was prepared in the White House, but a note on the source text reads: "Practically impossible to hear the Prime Minister". The identity of the person who prepared the memorandum is not indicated on the source text. The section of the memorandum dealing with China reads as follows:

"The Prime Minister talked at length, mentioning the name of Chou En-lai. The President said that is number one priority. He spoke of the incident of the invitation for newspapermen to go over there, and our thought that, step by step, we might have been able to reach some kind of *modus vivendi*.

"The President spoke of his conversations with Chiang Kai-shek. When he visited there right after the War, he was impressed to hear everybody talking perfectly freely, and that they seemed to like 'having us around.' They put the President in the most beautiful quarters he has ever been in. There seemed no danger, or no thought of any molestation or interference. The President said that he, for one, was particularly shocked when we saw developing in the country those terrible pictures of United States victims.

"The President said he would like to get our people over their currently very adverse attitude toward Red China. They put Red China at the bottom of the list, even below Russia, which he does not understand—but that it is true. He thinks most of it is about the ten prisoners and the fact, as he had told Nehru the other day, of the casualties suffered in Korea. Our people are sensitive—in World War II, they thought that it was something that had to be fought. He said he never heard discussed so much the theories of World War II as of the casualties of Korea. So the President thinks the main thing from our side is (a) the ten prisoners, and (b) Korea.

"With those things straightened out, we would of course naturally do something with our public opinion here; secondly, we could do something, as the President had said before, about sending newspapermen over there who would begin to find out what they are thinking. There would then be a flow of news coming back that would tend to ameliorate this uneasy state of pandemonium. And

there could, out of such a small achievement as this, spring something very fine.

"But the President's feeling, as of this moment, is that it is impossible for us to take the first step. He said Foster Dulles may have a different view, but that this is his own feeling." (*Ibid.*, Whitman File, Eisenhower Diaries)

223. Memorandum of a Conversation, Taipei, December 17, 1956, 10 p.m.¹

SUBJECT

U.S. Leadership in Present World Situation

PARTICIPANTS

President Chiang Kai-shek
 Assistant Secretary of State Walter S. Robertson
 Ambassador Walter C. Dowling²
 Deputy Assistant Secretary of State Howard Jones
 Vice President Ch'en Ch'eng
 Prime Minister O.K. Yui
 Acting Foreign Minister Ch'ang-huan Shen
 American Chargé d'Affaires James B. Pilcher
 Interpreter

After brief conversations with Ambassador Dowling and Mr. Jones, President Chiang directed his remarks towards Assistant Secretary of State Robertson.³

President Chiang stated that his remarks were being made as a friend and were not intended to be critical of China's great and good friends, the United States Government and people, and that the remarks were only being made in an effort to be helpful.

President Chiang stated that Nehru⁴ is an opportunist and that the only thing he knows and understands well is strength. The Presi-

¹ Source: Department of State, FE Economic Files: Lot 58 D 209, China (Taipei). Secret. Drafted by Pilcher on December 18, approved by Robertson in the Department on January 2, 1957. The conversation took place in the Shihlin residence of President Chiang.

² U.S. Ambassador to the Republic of Korea.

³ Robertson's visit to Taipei on December 17 and 18 was part of a month-long tour of East Asian countries which took him to Australia, New Zealand, Indonesia, the Philippines, Hong Kong, the Republic of China, and Japan. Additional information on the Robertson trip is in Department of State, Central Files, 110.15-RO.

⁴ Indian Prime Minister Nehru was visiting the United States at the time. Nehru's exchanges with Eisenhower and Dulles on the question of China are discussed in the editorial note, *supra*.

dent said that the United States should never fear that India would go Communist. He deplored the way in which the United States placated and coddled Nehru. He stated that that is the very way which would make him lean toward the Communists and that the United States should take a firmer and stronger hand in dealing with Nehru.

Mr. Robertson replied that Nehru was an individual who might lose power tonight and that the Indian people would remain and that the United States must exert every peaceful effort to prevent a large group of people from orienting themselves to Communism or becoming Communists.

Mr. Robertson cited another country—Burma—which had previously chosen to align itself with the neutralist bloc, but that now, in the face of recent events, Burma was beginning to orient itself toward the free world and that there was hope that India would, in due and good time, shift its position from one of neutralism to one of stronger ties with the free world.

The President said that the Chinese Communists should be dealt with in a firm manner, that the only thing the Communists know and understand is strength and that the United States Government is in a position to assume real and effective leadership from strength. He stated that the Geneva talks should be terminated forthwith. It was his opinion that, had a firm stand been taken in the beginning, the American prisoners would have been released, and, as it is, the talks have been dragging on for over a year and the release of the prisoners is still not in sight.

The President kept pointing up the leadership of the United States and stated that President Eisenhower is, since his re-election, at the peak of his prestige and power as a world leader, and that he has the highest regard for him and his leadership.

President Chiang stated that he heartily approved of the stand which President Eisenhower took in the recent Suez crisis. As regards Hungary President Chiang stated that the free world must not and cannot let the liberation movement in Hungary die. He stated that if this movement or effort to become free is crushed, it would be a terrific blow to the free world and to people under Communist domination who sought freedom and who are willing to fight and die for it.

The President stated that the United States must assume the leadership in some way to help the people of Hungary who are still fighting and dying for a cause of which the free world is proud but which the free world has not seen fit to give sufficient help.

Mr. Robertson inquired just what did President Chiang have in mind that the United States could do.

President Chiang smiled and stated that he had very definite and concrete ideas of what could and might be done but that President Eisenhower has not appointed him as his Chief of Staff.

Mr. Robertson stated that the United States was leaving no stone unturned in its endeavor to have all differences between nations settled by peaceful means through the United Nations and that the President wished to continue to use the United Nations in our efforts to settle disputes wherever they might arise.

President Chiang remarked that it was the United States prestige and leadership which made the United Nations, and that without the United States the United Nations would be an empty shell incapable of accomplishing anything.

President Chiang remarked that the United Nations passes endless resolutions and there is considerable exchange of views within the United Nations regarding the plight of oppressed people like the Hungarians, but that the United Nations had never taken the firm and positive stand and approach necessary to give effective assistance to Hungary.

Mr. Robertson said that we had the United Nations with us and that as long as it existed, which he hoped would be forever, we must use the United Nations to the fullest.

President Chiang interspersed his remarks from time to time with the comment that he was only talking as one friend to another friend and that the United States should assume a stronger role in world leadership which has become our responsibility.

At this point Madame Chiang came into the room and spoke to her husband which was a signal for the conversation to terminate.

Mr. Robertson stated that he wished to say just one more thing, and that was that we welcome constructive advice from our friends and that without their friendship and help and advice our task would be much harder, and that we looked forward to closer and stronger ties with our Chinese friends.

224. Memorandum of a Conversation, Washington, December 18, 1956, 3 p.m.¹

PRESENT

Admiral Radford

Minister of Defense Nationalist China Yu Ta-Wei

Lt. General S. L. Ho, Chief of the Military Staff of the Chinese Delegation to the United Nations

Rear Admiral Griffin

¹ Source: Naval Historical Center, Radford Papers, Memos for the Record. Secret. Drafted by Admiral Charles D. Griffin of the Office of the Joint Chiefs of Staff.

After normal amenities, Minister Yu Ta-Wei stated that he had seen Admiral Burke, General Twining and Secretary Quarles. He had hoped also to see General Taylor but had been unable to because General Taylor had been ill. The Minister said that he would like to give the Admiral a round-up of the Nationalist China military situation, that he hoped to see General Taylor, and would report further to Admiral Radford after this meeting.

Minister Yu gave the following summary report of the readiness of the Chinese Nationalist forces:

Army. 21 divisions are in an advanced state of training and have been combat-ready since 31 October 1956. From the logistical viewpoint there are some deficiencies. However, they will be corrected by May of next year at which time all troops, including logistic elements, will be fully combat ready.

Navy. The Navy has continued training and is considered to be in a good state of readiness. The basic deficiencies here are associated with the problem of maintenance, largely incident to the many types of ships which they have. (This is directed primarily to the Japanese type ships which are part of the Nationalist Navy.)

Air Force. Mr. Yu considers that the Air Force is in a high condition of readiness. The F-84 groups are combat ready and the F-86 groups are combat ready except for one which will be ready in March. At that time they will have five combat ready groups, in addition to the reconnaissance, patrol, and transport aircraft.

Minister Yu then stated that the Chinese Nationalists had gone through several phases in their development. The first phase was at the time of the Truman announcement regarding protection of Taiwan.² The second phase was what the Minister called the hardware movement phase. This has largely been completed. The third phase, and the Minister considers that they are in that now, is the phase of bringing about a combined defense and joint effort with the United States. He pointed out that the Chinats do not want more hardware at this time because they would be unable to utilize it efficiently. (New equipment would be required only for replacement purposes.) In this connection the basic problem is one of maintenance. The Chinats now have 5000 technicians in training and can't absorb any more.

Minister Yu then indicated that he was puzzled about what to do at this time. They have good forces that are highly trained and he is casting about for ideas as to how to keep them in this condition.

² Apparent reference to the announcement by President Truman on June 27, 1950, in the wake of the outbreak of fighting in Korea, in which he instructed the Seventh Fleet to prevent an attack on Taiwan and to see that all sea and air operations by the Republic of China against the Chinese mainland were stopped. (Department of State *Bulletin*, July 3, 1950, p. 5)

Admiral Radford pointed out that the problem which the Chinats have is essentially the same as our own. Our personnel change rather rapidly, so there is a continuing requirement for training as new personnel are inducted.

The conversation then turned to a discussion of the new German draft law, and Admiral Radford suggested that maybe something along this line might prove beneficial to the Chinese. He asked Minister Yu of the status of the manpower pool on Taiwan. Minister Yu indicated that he had no problem at this time and for the next few years, but that he anticipated the situation would get bad in about three years. However, he came back to the point that maintenance was the number one problem. Again Admiral Radford referred to the German solution, in which personnel who want technical training would have to agree to serve longer periods of time. He also referred to the fact that volunteers of the German Armed Forces receive higher pay than do draftees.

In extension of his thoughts about the phase three which they were now in, Minister Yu indicated that it was his objective to have the Chinese Navy as an adjunct of the Seventh Fleet; to be particularly available to perform jobs which the American Naval forces are not authorized to perform. With respect to the Air Force, he desired to have the combat units in such condition that they might operate as an integral part of FEAF. In this connection he pointed out that it would be necessary to tie in their radar network with ours and for this and other reasons we must have much better communications between Taiwan and Okinawa than we have at the present time. He also observed that there are no better reconnaissance units in the world than the Chinats. However, he felt the U.S. should provide its own all-weather fighter units. With regard to the Army, he again emphasized the fact that the active divisions are combat ready and that the reserve is almost ready. The training program turns out nine companies of troops each week. He indicated with respect to all forces that he would like very much to maintain a forward looking policy and to keep their forces modern. In this regard he would welcome the deployment of Matador units on Taiwan at the earliest possible date and would also like to have advanced equipment such as Nike and Talos deployed to Taiwan and the off-shore islands at an early date. With regard to the Navy, the principal thing he wanted to do was to replace the old Japanese type ships with American types. He indicated that he had discussed this subject in considerable detail with Admiral Burke and would send over for Admiral Radford's attention a letter ³ from the Chief Navy Section MAAG

³ Not found in Department of State files.

Taiwan to Commander-in-Chief Chinese Navy, which contained recommendations for a JCS force basis for the Chinat Navy.

Minister Yu then discussed some details of the build-up of Chinese Communist Air which he said was considerable. He said they had recently found a new Jet field about 190 miles north of Canton. He indicated that the Chinats were tying down approximately 50% of the Chicom Air Force in the general area of the Chinese mainland opposite Taiwan. The railroad to Amoy is completed but is not yet in use.

Admiral Radford inquired as to the impact of the Hungarian situation in China. Minister Yu said that this situation had made a decided impact on the Chinese and that he felt that the Chinats were making significant progress in regard to the people on the Chinese mainland. He pointed out that the situation now as compared to 1949 is quite different, insofar as the overseas Chinese are concerned. In 1949 about 20 overseas Chinese went back to the China mainland as opposed to about one to Taiwan. Now the situation is reversed. In this connection Admiral Radford suggested that the Chinats take such steps as might be possible to attract investments in Taiwan from wealthy overseas Chinese.

The conversation ended with Minister Yu again summarizing the condition of the Chinat Armed Forces and indicating that he would report again to Admiral Radford following his meeting with General Taylor. Finally, he mentioned that, although the Chinats had carried out their end of the bargain, no work had started on the Kung Quan airfield project.

225. Telegram From the Secretary of State to the Embassy in Pakistan ¹

Washington, December 19, 1956—7:08 p.m.

1446. Please deliver following message from President to Prime Minister Suhrawardy. Confirm date and time delivery. Signed original to follow.

"December 19, 1956

¹ Source: Department of State, Central Files, 611.93/12-1956. Secret; Priority; Presidential Handling. Drafted in S/S and approved for transmission by the Deputy Director of the Executive Secretariat, Joseph N. Greene, Jr. A note on a December 19 memorandum from Dulles to Eisenhower, covering a draft of the message, indicates that the President approved the message on December 19, with the single deletion noted in footnote 3 below. (Eisenhower Library, Whitman File, International File)

Dear Mr. Prime Minister:

Thank you for your message of December 11² transmitted to me by Ambassador Hildreth.

I share your strong desire to bring about harmony among nations and contribute to a lasting peace. It was in this spirit that in mid-1955 we undertook conversations with the Chinese Communists at Geneva. Although those talks have not borne out our hopes, they are continuing and we intend to persevere. Under present circumstances we are convinced that the Ambassadorial level is more appropriate than the Foreign Minister level for this limited negotiation with the Chinese Communists. The matters under discussion can be dealt with adequately by the fully empowered Ambassadors who are meeting regularly at Geneva, if the Chinese Communists have any desire to reach a reasonable agreement on these matters. Since they have so far not demonstrated such a desire we do not consider that raising the level of the talks would improve the prospects of agreement.

We cannot alter our opposition to Chinese Communist entry into the United Nations simply on the basis of Chinese Communist pretenses of good will and in the absence of concrete actions which would demonstrate without question that their policies and practices have changed since the United Nations declared them aggressors in Korea. The seating of Communist China in the United Nations under present circumstances, would, in my opinion, gravely imperil the progress which has been made in strengthening the independence of the free countries of Asia, violate the provisions of the Charter as to membership, and strike a serious blow at the vital interests of our ally, the Government of the Republic of China on Taiwan.

With regard to the ten American civilians (all reputable persons held on political charges) who are still wrongfully imprisoned in Communist China, we consider that they should all have been released long ago. The Chinese Communists declared in the Agreed Announcement of September 10, 1955 that 'Americans in the People's Republic of China who desire to return to the United States are entitled to do so' and further promised to 'adopt appropriate measures so that they can expeditiously exercise their right to return'. This pledge was not qualified in any way and was clearly understood to apply to the Americans in jail, for these were the very persons on whose behalf we were negotiating. We have never been concerned in the Geneva talks with Chinese Communist legal processes and the question of whether or not some of the Americans had been 'convicted'. Our concern—referred to by Chou En-lai as 'haggling' and 'dragging out the talks'—was and continues to be to bring the Chinese Communists to fulfill their public commitment to free all of the imprisoned Americans.

With respect to Chinese in the United States, I can assure you that no Chinese is prevented from leaving this country. We issued a public appeal for anyone who knew of a Chinese being prevented from leaving to bring it to the Government's attention. No one has done so. Moreover, we made arrangements for the American National Red Cross to interview personally all Chinese aliens in Federal and

² Transmitted in Document 220.

state prisons in this country in order to ascertain which of them desired to go to Communist China. There were some thirty such prisoners, all common criminals serving terms for various crimes such as traffic in narcotics or homicide. Only one chose to go to Communist China in preference to completing his sentence. He was deported there through Hong Kong on October 29.

Our experience with the Chinese Communist refusal to fulfill their pledge to release American civilians does not encourage us to rely on any other pledges they might give in the future. Nevertheless, we are pressing them at Geneva to recognize that the serious issue with us regarding the Taiwan area should not lead to armed conflict. We seek an unqualified renunciation of the use of force, which they adamantly refuse to give. The continued assertion by the Chinese Communists that they are entitled to attack Taiwan if it is not surrendered to them, coupled with the standing Chinese Communist threat to the Republic of Korea and all Southeast Asia, is a continuing source of instability in the area and a chronic threat to the peace. The disturbing Chinese Communist buildup of its aggressive capabilities in the South China area is a cause for grave concern. Were the Chinese Communist threat of force demonstrably removed, the conferees at Geneva could proceed to the discussion of other practical matters at issue.

I wish to thank you for your interest and to utilize this opportunity to convey to you personally my appreciation for the constructive actions which you and your government have taken in connection with this and other critical international problems which have arisen during recent months. We are aware of your staunch defense of free world interests during your visit to Peiping. Your position on the Hungarian and Middle Eastern crises³ again demonstrated the adherence of Pakistan to the principles of freedom and justice. Pakistan's posture in foreign affairs, like that of the United States, is independently established in consideration of its own interests. We Americans are proud that Pakistan has determined that its interests and our own lie in the same direction, so that we may pursue parallel courses in so many important fields toward the achievement of our goals. Sincerely, Dwight D. Eisenhower".

Dulles

³ The draft of the message conveyed to President Eisenhower on December 19 contained at this point the phrase "and your effective efforts to strengthen the Baghdad Pact". Eisenhower marked the phrase in brackets and indicated that it should be reconsidered by Dulles. The phrase was subsequently deleted.

226. Editorial Note

On December 24, William Worthy, correspondent for the *Afro-American* newspaper, entered the People's Republic of China in con-

travention of the ban on such travel by the Department of State. Worthy was followed shortly thereafter by Edmund Stevens and Philip Harrington, a reporter-photographer team for *Look* magazine. On December 28, the Department of State issued a statement indicating that as a result of a violation of passport regulations, the passports of the three journalists would be valid only for their return to the United States. (Department of State *Bulletin*, January 14, 1957, page 54)

227. Telegram From the Secretary of State to the Embassy in the Republic of China ¹

Washington, December 26, 1956—12:12 p.m.

547. Please deliver following message from President to President Chiang Kai-shek. Confirm date and time delivery. ²

"December 26, 1956

Dear Mr. President:

I appreciate very much your generous expressions of congratulation on my re-election extended to me in your letter of December 11, ³ which was brought by Foreign Minister Yeh. It is gratifying to know that in carrying out my responsibilities in the difficult years ahead I can rely not only on support at home, but also on the understanding cooperation of staunch allies abroad.

I believe we are in agreement that the world situation today, and for the next few years, presents both serious dangers and challenging opportunities. Recent developments in the European Soviet bloc afford ample evidence that the oppressed peoples are beginning, little by little, to shake loose the iron control of their Communist rulers. Once started, such a popular movement is extremely difficult to halt or reverse.

The present difficulties in the Communist world demonstrate the weaknesses of the Communist system. In those weaknesses lies the hope that the people now suffering under Communist dominion can eventually gain their freedom without direct military action by the free world. We must recognize, of course, that the portentous changes taking place in the Soviet bloc, and indeed within the Soviet Union itself, while giving cause for hope, do carry risks of erratic Communist ventures. Therefore, during this critical period it is necessary for the countries of the free world to remain calm but stead-

¹ Source: Department of State, Central Files, 793.00/12-2656. Secret; Priority; Presidential Handling. Drafted in S/S, cleared by General Goodpaster in the White House, and approved for transmission in S/S by Greene.

² Ambassador Rankin reported, in telegram 731 from Taipei, December 28, that he delivered the message on December 28. (*Ibid.*, 611.90/12-2856)

³ Document 219.

fast in their dedication to the principles of the United Nations Charter, which we all uphold.

The free countries must maintain their military strength, encourage healthy economic development and fortify their will to remain independent. It is important also to minimize differences between them which frequently tend to serve Communist ends. With greater progress toward these objectives, we can, I believe, face the future with confidence.

We do not yet see within the Communist-dominated parts of Asia the same degree of unrest apparent in Eastern Europe. Yet, I believe that if we persevere in our present firm policy, particularly with respect to the Chinese Communists, we can confidently expect to see in the Far Eastern area also, a growing rebelliousness among the captive peoples which their Communist rulers will, in the end, be unable to contain. We must be prepared to take advantage of any such developments in an appropriate manner when the time arrives. I am confident that the continued close cooperation of our two countries will contribute to this end.

In order to develop effective policies in the countries of the free world, it is of the greatest importance that we understand fully each other's viewpoints. It is particularly helpful to know how Asian leaders themselves view developments in that area of rapid change. I appreciate, therefore, receiving your frank assessment of the Far Eastern situation and I hope that we can continue, from time to time, to exchange ideas on this subject.

Mrs. Eisenhower and I extend to you and Madame Chiang our best wishes for a happy and successful New Year.

Sincerely yours, Dwight D. Eisenhower".

Dulles

228. Memorandum From the Assistant Secretary of State for Far Eastern Affairs (Robertson) to the Secretary of State ¹

Washington, January 2, 1957.

SUBJECT

OCB Progress Report ² on U.S. Policy Toward Taiwan and the Government of the Republic of China (NSC 5503 ³)

The OCB Progress Report on U.S. Policy Toward Taiwan for the period from April 12 through November 21, 1956 will be considered

¹ Source: Department of State, Central Files, 611.93/1-257. Secret. Drafted in CA by Douglas N. Forman.

² Dated November 21, 1956, not printed. (*Ibid.*, S/P-NSC Files: Lot 61 D 167)

³ See vol. II, Document 12.

by the National Security Council on January 3, 1957.⁴ The main points made in the report are the following:

U.S. defense arrangements in the area and the military assistance program were continued along established lines and adequately ensured the security of Taiwan (Paras. 3a, c, d). Working relations with the Chinese were good.

The Chinese Communists continued to increase their military capability and to call for the take-over of Taiwan by military force if necessary (Paras. 4, 9). The Communist propaganda and diplomatic campaign against the Chinese Government on Taiwan was intensified and it was increasingly difficult to maintain the international position of that Government even though it took some effective steps in countering the Communist campaign (Paras. 7, 8).

With the cooperation of the Chinese Government progress was made in strengthening the economy of Taiwan (Para. 3e). More attention needs to be paid to the expansion of the island's productive capacity if Taiwan is to achieve and maintain a satisfactory rate of economic progress (Paras. 3e, 12, 13).

Since the report was approved by the OCB, two significant developments have occurred. Agreement has been reached with the Chinese Government for the construction of the \$25 million Kung Kuan airfield in central Taiwan (Para. 16c). The Chinese have presented and U.S. agencies are cooperating in implementing revised and detailed programs for joint Sino-U.S. action to strengthen Taiwan's trade, diplomatic, cultural and information activities in Southeast Asia⁵ (Paras. 7, 8).

Recommendation:

That you support approval of this Progress Report by the National Security Council.

⁴At the 308th meeting of the National Security Council on January 3, the Council merely noted the Progress Report on NSC 5503. (Eisenhower Library, Whitman File, NSC Records)

⁵On April 9, 1956, Foreign Minister Yeh wrote to Secretary Dulles outlining proposals for "A Regional Economic Plan for Free Asia to Counter Communist Penetration", and a "Joint United States-Free China Program To Organize Overseas Chinese Against Communism". See footnotes 2 and 3, Document 166.

229. Memorandum From the Secretary's Special Assistant for Intelligence (Armstrong) to the Secretary of State ¹

Washington, January 9, 1957.

SUBJECT

Intelligence Note: Chou's Visit to Moscow

The timing of Chou En-lai's trip to Moscow, Warsaw, and Budapest ² suggests considerable urgency in his mission, and apparently reflects the concern with which Peiping views events in Eastern Europe. The Chinese Communist premier abruptly cut short his stay in India and postponed his visit to Nepal and Afghanistan in order to be able to stop over briefly in Peiping en route to Moscow. Some light is shed on Chinese Communist policies and possibly on Chou's trip by the release on December 28, less than a week before Chou's return to Peiping, of the first Chinese Communist commentary on Tito's dispute with the Kremlin.

The December 28 commentary contained nothing designed to assuage Asian concern at Soviet policies in Eastern Europe. On the contrary, it elaborately rationalized Soviet actions against Hungary and the Soviet position in the Tito dispute. Peiping stated that it sympathized with parts of Tito's argument, but that "comradely criticism" of Communist leaders must be subordinated to the struggle of Communism against the West. Peiping restated its criticism of "great national chauvinism" (for the first time attributed specifically to Stalin) and its insistence that Communist regimes should maintain their "independence." However, the Chinese Communists made it clear that bloc members should subordinate themselves in the struggle against the West to Soviet leadership and that the USSR should continue to constitute the prime model for revolutionary regimes. Peiping reiterated its primary concern with the necessity of restoring and maintaining bloc solidarity.

The reservations concerning Soviet policy suggest that on some points the Chinese Communists may attempt tactfully to mediate between Moscow and certain Eastern European leaders. However, the main impact of Peiping's policy and of Chou's trip more likely will be to support the USSR and to cut short Eastern European hopes that Peiping's sympathy for more flexible bloc relationships may extend to the point of supporting "national Communism" against Moscow.

¹ Source: Department of State, Central Files, 033.9361/1-957. Limited Official Use.

² Premier Chou En-lai arrived in Moscow on January 7 for discussions with the Soviet leaders. He later visited Warsaw, January 11-16, moved on to Budapest, January 16-17, and returned to Moscow, January 17-18.

230. Telegram From Ambassador U. Alexis Johnson to the Department of State ¹

Geneva, January 19, 1957—3 p.m.

710. Desultory two hour forty minute meeting this morning with nothing new except my presentation missing military personnel item ² to which he responded along same lines as in 1955.

In prepared opening statement Wang reviewed course of talks along standard lines leading up to reiteration next move up to US. He stuck to this position throughout give and take. No implication intent their part break off.

When I proposed February 7 for next meeting, he suggested February 14 which I accepted.

In course implementation discussion, Wang handed me name address Chinese allegedly forced by US to Taiwan against will: Lee Li-Chuen (characters not received), 45 Ludlow Street, Apartment 2, New York 2, N.Y.

[Johnson]

¹ Source: Department of State, Central Files, 611.93/1-1957. Confidential; Priority; Limit Distribution.

² In guidance telegram 736 to Geneva, January 15, Johnson was instructed to: "Renew demand for accounting by Chinese Communists for missing military personnel. Frame demand in terms broad enough encompass both personnel missing from Korean War and other US military personnel missing from aircraft lost vicinity of China." (*Ibid.*, 611.93/1-1557)

231. Letter From the Director of the Office of Chinese Affairs (McConaughy) to the Ambassador in Czechoslovakia (Johnson) ¹

No. 64

Washington, January 30, 1957.

DEAR ALEX: 1. Your letter No. 53 of January 19 ² came January 24 and has been read by Messrs. Robertson, Phleger and Sebald. All of us sympathize with you in the frustrating and exasperating posi-

¹ Source: Department of State, Geneva Talks Files: Lot 72 D 415, Geneva, US-PRC Talks, Misc. Docs. 1956-1957. Top Secret; Official-Informal.

² In letter No. 53 from Geneva, Johnson wrote to McConaughy that the talks "now seem in a complete cul de sac and look as if they could well continue indefinitely in that state". "I am," Johnson wrote, "entirely willing to go on as we are if it is still felt it is serving a useful purpose but I hope that that decision will be fully examined at a high level". (*Ibid.*)

tion in which you find yourself, with the talks apparently leading nowhere and dragging on indefinitely with the same tired points being reworked *ad infinitum* and *ad nauseam* at every meeting. Undoubtedly it is difficult for the man who is on the scene and who is carrying the chief burden to see the further utility of the exercise. However the talks are precisely fulfilling the primary purpose envisaged by the Secretary in 1955. Mr. Robertson told him yesterday about your letter including the question you had raised about the desirability of prolonging the talks. The Secretary smilingly recalled that when he was giving you your instructions he had mentioned to you that you should be prepared to carry on the talks for two years. The Secretary said that you were handling the talks exactly in accordance with his wishes, and that the talks were serving the purpose he had in mind. He appreciated the difficulties you confront but his views as to the importance of the talks and the desirability of continuing them had not changed. He said that when the Middle East pressures subsided somewhat, he would be glad to review the matter and give careful attention to any arguments against continuation of the talks which we might consider overriding. But as of now he felt the talks should continue and that you should know that he approves the way in which you have conducted the talks.

Undoubtedly the talks continue to cause us some embarrassment, and lead to some misunderstanding of our posture vis-à-vis Communist China, especially in the Far East. Also the continuance of the talks makes it difficult for us to manifest the full extent of our dissatisfaction at Chinese Communist violation of the Agreed Announcement. On the other hand, we still have the Chinese Communists tied up in talks which may make it more difficult for them to start any hostilities in the Taiwan area. If they should initiate any such action while conversations are going on, the risk they would run of general world condemnation and possible multilateral sanctions against them would be appreciably increased. While the Chinese Communists obviously estimate at this stage that their interests are best served by continuing the talks, they are probably not happy over the negotiating situation in which they find themselves and would be delighted if we broke off the talks. An onus would attach to the side which took the initiative to break off the talks, and this the Chinese Communists want to avoid. We have them in a situation where they are on the defensive on both of the principal points at issue, and unable to improve their negotiating position. As one officer put it, if we broke off the talks now we would in a sense be letting the Chinese Communists off the hook and would be giving up just at a time when we for once are beating them at their own game by out-sitting and out-talking them. As Mr. Phleger put it, "Alex is doing fine, and should carry on along the lines that he has already

developed so well". You don't need to worry about repetition, or lack of new topics. It may be a dreary, boring business but it is serving a purpose which is more apparent here than it can be in the front line. The talks undoubtedly are reducing the pressures from European quarters for other U.S. contacts with the Chinese Communists and they make it much easier to refute the arguments advanced for a Foreign Minister level meeting.

2. We were quite interested in the record of the last meeting. Wang's argumentation was of some significance, even though there was nothing new in it. It was all right to send the full report by pouch.³ It arrived in four days.

3. We were somewhat taken aback at the *New York Times* despatch of January 19 from Geneva⁴ quoting you as feeling that your negotiating position had been seriously weakened by the visits of the three newsmen to Communist China. While your negotiating position certainly was not helped by the visits, we do not see that it was helped by the public attribution of this feeling to you either.

4. We are sending you herewith a full report of O'Neill's interview with Huang Hua on December 28, 1956.⁵ In this conversation, Huang Hua explicitly denies that the Agreed Announcement applies to American prisoners. We anticipate that this will give you plenty of material for the February 14 meeting.

5. We released our statement on Chinese Communist failure to release imprisoned Americans on January 29. A copy is enclosed for your files.⁶ We are also sending a copy to Osborn. We thought Chou En-lai's statement in Nepal about a possible "exchange of prisoners" gave us a good occasion to issue the statement. However it has not received as much play in the press as we hoped for.

6. There has been a new development in the Powell case.⁷ Having been authorized by the judge to travel to Communist China

³ The full record of the 64th meeting of the Geneva talks was pouched to Washington in the form of an unnumbered, undated telegram. (*Ibid.*, Central Files, 611.93/1-1957)

⁴ *New York Times*, January 20, 1957. For a summary of the Department's reaction to unauthorized travel by three American newsmen to the People's Republic of China in December 1956, see Document 226.

⁵ Not found in Department of State files.

⁶ Not found attached. The statement released by the Department on January 29, which reviewed the history of the release of American prisoners held in China and Chinese prisoners held in the United States since the beginning of the Geneva talks, is printed in Department of State *Bulletin*, February 18, 1957, pp. 261-263.

⁷ On April 25, 1956, John W. Powell, his wife Sylvia, and Julian Schuman were indicted by a federal grand jury in San Francisco on charges of sedition growing out of their publication of *The China Monthly Review* in Shanghai during the Korean war. The Powells and Schuman published *The China Monthly Review* in Shanghai until 1953 and were specifically charged with conspiring to hamper the progress of U.S. armed forces in Korea by publishing articles accusing the United States of germ warfare in the con-

as an officer of the court, leaving his passport in Hong Kong, the defense attorney, Wirin, now claims to have received a cable from his contact in Peiping stating that he will not be admitted without a validated passport and that the United States Government should communicate with the Chinese Communist authorities concerning his travel. (Copies of the defense motions are enclosed.⁸) Wirin is reported to have mentioned orally to the judge that the Geneva talks would be a suitable channel for communicating with the Communists concerning his travel. The Department of Justice attorney who is handling the Washington end of the case informed us that the judge categorically turned down Wirin's request for a court order that his passport be validated for travel to Communist China and North Korea. The judge said he had no authority to issue such an order. The judge is reportedly unsympathetic to Wirin's latest gambit. He has asked that appropriate government authorities provide him with an affidavit setting forth the United States Government's position with regard to the Chinese Communist and North Korean regimes, travel by Americans to those areas and the facts concerning the Geneva talks. We are preparing material on these subjects for Justice, which will then prepare the affidavit. A hearing is set for February 2, when the judge will consider this information.

It seems clear that the Chinese Communists are using the Powell case as another lever to compel a change in our policy regarding travel to Mainland China. They probably feel that they are in a strong position in this case, since if the U.S. Government blocks Wirin's travel to Communist China, there is a good chance that the case against the Powells will be dismissed. Thus, whichever way we move, the Communist movement would stand to gain. Peiping's tactics in this case strongly suggest that they are not interested in utilizing the Powell case to revive the germ warfare charges against the U.S. If they were, they would certainly be more inclined to facilitate

flict. On October 5, a federal court order was issued granting the defendants the right to take depositions on their behalf at government expense in the People's Republic of China. On October 11, the Government of the People's Republic of China announced that it had found 50 persons willing to testify in support of the Powells and Schuman on the question of the American use of germ warfare during the Korean conflict. Abraham L. Wirin, attorney for the Powells and Schuman, petitioned the U.S. District Court in San Francisco on January 2, 1957 for court validation of his passport to allow travel to mainland China and North Korea since the Department of State had refused such validation despite the fact that he would be traveling as an officer of the court to collect depositions. On January 25 Judge Louis E. Goodman responded that he lacked authority to instruct the Department of State to take an action which would affect the conduct of U.S. foreign relations. At the same time, a spokesman of the People's Republic of China indicated that Wirin, as an officer of the court, would be representing the United States and his passport would have to be validated by the U.S. Government before he could be admitted into China. The details of the Powell case are drawn from the *New York Times*, 1956-1957.

⁸ Not found attached.

Wirin's travel. Their propaganda, too, has supported this conclusion, since they have played up the Powell case as another attempt by the U.S. to persecute journalists who try to tell the truth about Communist China. Germ warfare has been barely mentioned. We are giving Justice the information we have on the various efforts by Peiping to break down our passport policy, so that they can pass this background informally to the judge.

7. It now seems as if the passports of Stevens and Harrington of *Look* magazine will be made valid only for return to the U.S. Action on Worthy will be withheld until we get a full report on his travel and the use he made of his passport.

8. It has been good to talk to Pat, and to get some further news of you and your children through her. I wish you could join her here.

Regards and good wishes,

Sincerely,

Walter P. McConaughy ⁹

⁹ Printed from a carbon copy which bears this typed signature.

232. Memorandum From Robert McClintock of the Policy Planning Staff to the Assistant Secretary of State for Policy Planning (Bowie) ¹

Washington, February 8, 1957.

SUBJECT

Admission of China to the United Nations; Eventual Recognition by the United States.

I am much troubled by our attitude toward mainland China, although I am prepared to agree with much of our official doctrine on the perfidy of the Chinese Communists and their general inimical attitude. A large number of our allies and practically all of the so-called uncommitted governments do not share our views. The time is inevitably coming when the government in Peking by a purely procedural vote of the General Assembly will be seated in the United Nations as being directly representative of the people of China, and when that time comes whoever is the American Secretary of State (and possibly the head of the Policy Planning Staff with him) is

¹ Source: Department of State, PPS Files: Lot 67 D 548, China. Secret.

going to be hauled over the coals by certain powerful elements of American public opinion.

Another famous Republican Secretary of State, Charles Evans Hughes, once established a fairly simple doctrine on recognition. It had nothing to do with emotion. The criteria established by Secretary Hughes were that a government must be in effective control of the territory of the state concerned; that it must have, by and large, the clear support of its people; and that it must honor its obligations under international law. With the exception of the final point it could be said by this standard the government in Peking is already qualified for recognition. However, that is a matter of bilateral concern to the United States and China and I am addressing the tenor of this paper largely to what we should do given the postulate that sooner or later Red China will be admitted to the UN.

There is no doubt at all that once the Peking Government is seated in the UN it will redound greatly to the prestige of that Government. The acceptance of Peking's credentials by the General Assembly will result in an increase of *de jure* recognition of the Peking regime by a number of governments who, largely through suasion by the United States, have thus far refrained from such recognition. In an Asia which still attaches great importance to "face", the entry of mainland China to the UN will have a great impact. However, this is something which is going to happen and there is no use wringing our hands and ordering the tide to go back. King Canute got his feet wet when he tried that.

It can likewise be argued that it would be most unfortunate to have a Communist China represented in the Security Council rather than a representative of Nationalist China who on most issues can be counted on to vote our way. However, I believe the danger of having a Chinese Communist in the Security Council can easily be exaggerated since two vetoes can be no worse than one. Likewise it can be argued with considerable effectiveness that our insistence that the representative of Taiwan in fact speaks in the name of the Chinese people is a violation of the Charter, since it was the clear intent at San Francisco that the five permanent members represent what was then regarded to be the five great powers and this clearly does not describe the Security Council representative of Taiwan.

It seems to me that before the Bandung powers and certain of our own allies vote mainland China into the United Nations, we might seek to extract such diplomatic advantage from an untenable situation as can be found. At this late date the chief benefit we possibly can derive by negotiation would be to secure effective guarantees that only a peaceful solution of the Taiwan problem shall be resorted to by either side. We might likewise secure at least a public pledge possibly backed by UN guarantees (and in this India would

primarily be interested), that China would not seek to change its frontier, nor would it aid limitrophe nations in changing their frontiers, by force. This would have immediate application in North Korea, North Vietnam, Burma and Laos with a more residual application in Tibet and Nepal.

Such a negotiation could at a minimum be based on assurance by the United States that it would withdraw its present adamant opposition to the entry of Communist China into the UN, even though if for purposes of the record we might not vote in favor of such admission. If the bargaining got more sticky we might contemplate raising the ante to include recognition.²

Once Communist China is admitted to the United Nations it will be so generally recognized by other governments that we might as well follow suit, utilizing to the extent possible our readiness to recognize, to round off the rough edges of any *modus vivendi* we negotiate with Peking. Among the incidental advantages to reckon on from a policy planning aspect, one can cite the very important advantage of having an Embassy in Peking. Although our presence diplomatically speaking in Moscow is not going to change the Soviet way of life, certainly the judgments provided us by the Moscow Embassy are of immense value in estimating the direction Soviet policy will take. A similar benefit would be derived from an Embassy in Peking and this might prove of crucial importance if as many believe China in future years will assert a decisive influence on the trend of Russian policy.

In such a negotiation it will, of course, be essential to provide safeguards for the integrity of the new Republic of Taiwan. It should, however, be perfectly easy among the UN membership to arrange for the admission of Taiwan as a member in its own right. We would thus come to the policy of "the two Chinas," and the continuous wrangle in Credentials Committees of various international organizations, whereby we call black white and yellow red in insisting that the Nationalist Government of Taiwan speaks for 600 million mainland Chinese, would at last be ended.

It goes without saying that in the course of accepting the Peking regime into the UN, steps would be taken to end the state of hostilities between that regime and the Governments which fought in Korea under the UN aegis. Advantage could be taken of this negotia-

² Yesterday, in conversation with Congressman Zablocki, I asked what he thought American public opinion was in respect to Red China. He said that he and several other Congressmen were startled at a meeting of American businessmen held fully two years ago at which he judged that 75% of the persons present favored increased trade with Red China, and recognition as an adjunct to facilitating such trade. He quoted Representative Mrs. Kelly, who was present at the meeting, as remarking to him, "Well, I'll be God-damned!" [Footnote in the source text.]

tion to secure guarantees of the neutrality of the two Koreas and the two Vietnams, and further safeguards if necessary for Taiwan. It would be helpful in this connection to enlist Japan and India as guarantor powers. Ultimately if this course of action were followed we might find it possible to reduce the present astronomical dollar contributions which the US is making to such amputated patients as South Korea, South Vietnam and Taiwan.

I realize that the foregoing is an analysis based more on pragmatism than principle. However, as Confucius did not say, "if you are going to be raped you might as well relax and enjoy it."

RM

233. Letter From the Director of the Office of Chinese Affairs (McConaughy) to Ambassador U. Alexis Johnson in Geneva ¹

No. 65

[Washington,] February 11, 1957.

DEAR ALEX: 1. Developments in the issue of travel of newspaper men to Communist China have not been very favorable for us. The press is giving strong support to Stevens and Worthy. Apparently they have been able to whip up a certain amount of public support for their position. Worthy appeared on Eric Sevareid's nation wide newscast Sunday afternoon February 10 and probably evoked quite a bit of sympathy for his position. Worthy left Moscow before the Embassy received our instructions, and he refused to submit his passport to the Legation in Budapest for restrictive endorsement. He also refused to say yes or no on the passport hearing which was offered him, placing his case in the hands of the Civil Liberties Union. When Worthy passed through Immigration at Boston his passport (by decision) was not taken up or restrictively endorsed. As I see it this will make it difficult for us to follow through in Stevens' case. *Look* magazine plans to fight the case of Stevens and Harrington. Presumably there will be a passport hearing in Washington when Stevens returns to this country. Stevens was given the choice of a hearing in Moscow or Washington before restrictive action was taken, and *Look* magazine instructed him to choose a hearing in Washington, which will presumably take place a few weeks hence.

¹ Source: Department of State, Geneva Talks Files: Lot 72 D 415, Geneva, US-PRC Talks, Misc. Docs. 1956-1957. Secret; Official-Informal.

The decision to seek to restrict the passports was taken with some reluctance in view of the legal uncertainty but our hand was more or less forced by the press release of December 28² in which it was stated flatly that the passports would be made valid for return to the U.S. only. We did soften the proposed action by making it clear to our Embassy in Moscow that we did not require Stevens to come home. The instruction was to endorse the passport "upon departure from the Soviet Union, valid for return to the U.S. only". This would enable Stevens to continue his assignment in the U.S.S.R. without interruption. However *Look* has elected to bring him home in late March in order to fight the case.

We are faced with a flat defiance of the Department by Worthy, and strong resistance short of defiance in the case of *Look* magazine and Stevens.

The Secretary took a very strong position in his press conference of February 5.³ We have been looking through the Geneva records for the best documentation that we can find based on Wang's remarks. Of course we have the Wang statement about the handling of the prisoners being influenced by the state of relations between the two countries and the tie in between visits by American citizens and the "state of relations". We have found nothing along this line dated later than September 28, 1955. I presume neither you nor Dave recalls anything later or more specific than this. I understand you got a copy of the Secretary's press conference separately, but to make sure that you have it, a copy is enclosed herewith.⁴ We still hope to hold the line by voluntary action of the press, plus limited administrative action where necessary. No court action is being considered but we may run into difficulties even here with administrative passport

² See Document 226.

³ At a press conference on February 5, Secretary Dulles was asked to give his philosophy concerning the policy of denying American reporters passport authorization to travel to mainland China. He responded:

"Well, my philosophy is, I think, in that respect the same as the President expressed at a recent press conference, that we don't like to have American citizens used as a means of coercion as against the United States Government. As you know, of course, the Chinese Communist Government has for some time been trying to get reporters—preferably those it picked—to come into Communist China, and it has repeatedly tried to use the illegal detention of Americans in Communist China as a means of pressure to accomplish its ends in that respect. We do not think that it is sound philosophy to permit other governments—other regimes—to feel that it is profitable business for them to withhold and detain illegally and throw into jail American citizens so they can put a price on their release. If we allow that to happen in one case, then I think the safety of all Americans throughout the world is lowered by several degrees for a long time in the future. It is a fact that the Chinese Communists are trying to use Americans to accomplish that end, which makes us reluctant to do it. If the Americans were released, then we would, of course, give a new look at the situation." (Department of State *Bulletin*, February 25, 1957, p. 301)

⁴ Not found attached.

action. The line up against us is pretty solid, especially since Senator Humphrey has entered the picture with a proposed Senate investigation, and since the American Society of Newspaper Editors has sent a resolution to the President.⁵

2. We anticipate that your instructions for the February 14 meeting will follow the usual line. We expect you to hammer hard at Wang on the subject of the interview of December 28 between O'Neill and Huang Hua in which Huang Hua virtually repudiates the Agreed Announcement by saying it has no application to the Americans while they are imprisoned. I sent you a copy of O'Neill's report to Prague with my last letter of January 30.⁶ I hope you received it. As a precaution another copy of O'Neill's report is enclosed herewith.⁷

3. Also enclosed is a working draft of a proposed new press release on travel to Communist China.⁷ It has been drafted largely with a view to clarifying the questions and ambiguities which seem to exist as a result of the events of last week. Bear in mind that this has not been approved and may undergo further changes if it is put out at all.

4. In answer to the question raised in your letter of January 28 from Prague,⁸ the Department did intend for you to have the copy of Instruction A-159 to Taipei⁹ as well as the NIE 43-56.¹⁰

5. We are working hard on a replacement for Osborn. The Embassy in London is very shorthanded now in the sections which cover both FE and Middle Eastern Affairs. It would be difficult for them to spare Ed Martin at all till June. I believe we could get him

⁵ On February 6, William Dwight, President of the American Newspaper Publishers Association, sent telegrams to President Eisenhower, Vice President Nixon, and Speaker of the House Sam Rayburn. The Association protested against Department of State opposition to travel by American newsmen to mainland China, and outlined three principles which should be respected by the government:

"1. Freedom for American reporters employed by American publications and news services to gather and write news or opinion in any country in the world with which the United States is not at war.

"2. No restriction on the passports of American citizens engaged in news writing and gathering so far as travel to any country with which the United States is not at war is concerned.

"3. No imposition of penalties by fine or imprisonment or revocation of right of travel upon American reporters who at their own risk choose to pursue their profession in any country in the world with which the United States is not at war." (*New York Times*, February 7, 1957)

⁶ Document 231.

⁷ Not found attached.

⁸ Not printed. (Department of State, Geneva Talks Files: Lot 72 D 415, Geneva, US-PRC Talks, Misc. Docs. 1956-1957)

⁹ Instruction A-159 to Taipei, January 15, discussed NIE 43-56 (Document 213) and the Embassy's objections to some of the conclusions drawn in the paper. (Department of State, Central Files, 101.21-NIS/12-1056)

¹⁰ Document 213.

then. We have your telegram 389 ¹¹ agreeing to Dave Popper as an interim measure if we can get him. We intend to sound out Geneva on this today and will probably authorize you to take it up with Gowen while you are in Geneva this week. We fear that Geneva will feel that they cannot spare Popper. We will work out some solution in any event.

6. Judge Goodman in San Francisco is still considering the Wirin request for a passport to go to Communist China. The Judge has requested Justice to submit briefs on two questions as follows:

1. Whether the Court possesses the power to compel the Secretary of State to validate Wirin's passport.

2. Whether the Court could compel the Government to elect either (a) to validate Wirin's passport or (b) the dismissal of the indictment.

We armed Justice with quite a bit of material for the meeting which the Judge held on February 1. We endeavored to show that the Communists were using the Powell-Schuman trial as a lever to force official accreditation of an officer of the Court for activities in Communist China.

7. We are wishing you well and hoping that at the very least you will not have dental trouble to plague you this time.

Regards,
Sincerely,

Walter P. McConaughy ¹²

¹¹ Telegram 389 from Prague, February 9. (Department of State, 123-Popper, David H.)

¹² Printed from a carbon copy which bears this typed signature.

**234. Memorandum of a Conversation, Department of State,
Washington, February 12, 1957 ¹**

PRESENT

The Secretary
Governor Herter
Mr. Murphy, G
Mr. Phleger, L

¹ Source: Department of State, Central Files, 993.6211/2-1257. Confidential. Drafted by Howe. A note on the source text, in an unknown hand, reads: "For record, no distr."

Mr. McCardle, P
Mr. Cartwright, SCA
Mr. Howe, S/S

The Secretary agreed to hold a meeting with a small group representing the press and asked Governor Herter to make the arrangements. He thought Monday afternoon ² would be the best time.

In agreeing to the meeting, the Secretary said that the best possible and most complete and articulate statement of our policy on this subject should be pulled together as a basis of his discussion and that of the other Departmental participants. Essentially the Secretary felt that our policy was entirely correct but that it would have validity only if it was effective and it would only be effective if it was really "saleable" to the American people. Conversely the Secretary felt that we should not hold to this or any other policy which was not understood and not supported by the American people.

The Secretary recognized that the newspaper correspondents were only one group of the American people concerned with the problem of entry into Communist China; that missionaries, businessmen, etc., were also involved. He thought however that a special problem was created by the journalists as representing the source of news on Communist China and also because they were so conspicuously in the forefront of those involved in pursuing the policy; that therefore the proposed meeting should not include representatives of groups other than the press and radio.

The Secretary agreed with the point made by most of the participants that we had not yet articulated properly the policies under which we were operating in this area, i.e., the relationship with Communist China in terms of admission of U.S. citizens, and that we therefore had not had any success in selling the policy. He looked to the proposed meeting as a testing ground from this standpoint, to take high-minded, public-spirited and interested people and put to them our policy with the greatest force and see whether it would stand up.

The Secretary at the outset of the meeting had read Mr. Phleger's brief (dated February 8³) and made extensive comments upon it, principally along the lines that, while the document was an able marshalling of the elements of the problem, it overlooked, it seemed to him, the most important basis for our present policy. He pointed out that the strongest single motivation of the Chinese in their international conduct was a desire to be treated like everyone else and that our unwillingness to concede to them in this had been the greatest sanction upon them which we held. The Secretary be-

² The meeting took place on Monday, February 18. See Document 237.

³ Not found in Department of State files.

lieves that we should not accede to their desire until they have earned it in the sense of demonstrating a determination to conduct themselves properly and in accord with international law and custom.

The Secretary expressed serious concern on two other elements of the problem. In the first place, he saw that a concession on the particular issue of the correspondents was the first step in a long slippery path on which he saw little possibility of halting; the missionaries and businessmen and then tourists would follow upon the correspondents. In the second place, he was sure that any revision in our present policy would be wrongly interpreted in a number of areas but particularly in those countries whose morale we spent much energy to bolster because of their closeness and yet their resistance to Communist China, i.e., Korea, Formosa and Southeast Asia; these would assume that this was simply the first step to recognition of Communist China and their reaction would be one of great nervousness.

The Secretary made this further comment. He felt that there was no doubt whatsoever that, if we can keep the correspondents out of Communist China, it was in the best interest of the U.S. He was not sure however that, as with the CHINCOM controls, it might not be better to have violations than to agree to a relaxation.

235. Memorandum of a Telephone Conversation Between the President and the Secretary of State, Washington, February 13, 1957, 9:30 p.m. ¹

The President called me at my home at 9:30 p.m., saying that he had been having a talk with some of his associates there, including Mr. Robinson, ² about the Chinese Communists and our attitude toward Americans going to Communist China. He said he had narrated to the group the various evil deeds of the Chinese Communists, culminating in their attempting to use 10 Americans as hostages to gain political ends. He said the group felt that the full story had never been adequately told to the American people, and that if it were, they would understand better why we did not issue passports for China and discouraged travel to Communist China. I recalled to

¹ Source: Eisenhower Library, Dulles Papers, White House Telephone Conversations. Drafted by Dulles on February 14.

² An apparent reference to William Robinson, a close friend of President Eisenhower.

the President that we were planning a meeting with some of the newspaper heads on Monday to discuss this matter fully.³ The President suggested that I could discuss it again at my next press conference and he would do the same. The President said he felt that if we could get the full story across, public reaction would support our position. The President said that under present conditions he would never see the issue of passports valid for China. The President said he recognized that we might have to tolerate a certain amount of "bootleg" travel there.

³ See Document 237.

236. Telegram From Ambassador U. Alexis Johnson to the Department of State¹

Geneva, February 14, 1957—4 p.m.

787. Three hour meeting this morning devoted almost entirely implementation.

I opened with strong point by point refutation Huang Hua's December 28 statements to O'Neill along para one Deptel 815.² While avoiding any detailed rebuttal Wang reiterated previous position on question return not arising while Americans in prison. Then led into long prepared statement in course of which referred to January 29 press statement,³ Secretary's February 5 press conference,⁴ Robertson's speech in Bloomington,⁵ and US press criticism of USG position on travel correspondents. Termed January 29 statement as "groundless charges" to cover up facts with regard to Chinese in US. With reference Secretary's February 5 statement PRC conditioning release Americans on visits correspondents "refutation superfluous as American press already done job for them in dismissing story as

¹ Source: Department of State, Central Files, 611.93/2-1457. Confidential; Priority; Limit Distribution.

² In paragraph 1 of guidance telegram 815 to Geneva, February 11, Johnson was instructed to: "Take issue with virtual repudiation Agreed Announcement by Huang Hua in interview with O'Neill December 28, when former stated that until American prisoner released from jail 'question of encountering obstruction' did not arise". (*Ibid.*, 611.93/2-1157)

³ See footnote 6, Document 231.

⁴ See footnote 3, Document 233.

⁵ On February 6, Assistant Secretary Robertson addressed the Bloomington, Illinois Association of Commerce on the subject of "Meeting the Threat of Communism in the Far East". (Department of State *Bulletin*, February 25, 1957, pp. 295-299)

groundless fabrication". PRC approval applications American correspondents visit China was gesture good-will and US attempt link question release Americans was "outright insult to pressmen". "US alone attempting introduce link." Robertson's Bloomington "vituperation and slander" and "other unfriendly utterances he has made not even worth trouble refutation". US should be aware that "slander and threats could not help progress". Can only expect progress when I ready discuss his proposals FMC, cultural relations, and trade.

I made long extemporaneous statement reviewing course negotiations on prisoners and reminded him of his previous statements linking release Americans to "improvement relations". Could only interpret this as demand political concessions as price release. At other times he and PRC authorities appear base failure release Americans on alleged grounds imprisoned Americans not covered by Agreed Announcement and that at other times on alleged violation agreement by US with respect Chinese in US [*sic*]. Challenged him show single misstatement fact January 29 press statement. Cited GOI February 2 statement⁶ as confirmation our January 29 statement with respect Chinese in US and challenged him produce similar statement from UK on situation Americans in PRC.

Major portion his subsequent remarks devoted to themes: (1) "era long passed China could be brought into submission by threats or pressure" or aliens could break Chinese law with impunity; (2) PRC friendly gestures (release airmen and others, Chou's statements to American correspondents PRC desired friendship with US and American people, permission newsmen visit China, etc.) had been met only with hostility from US side. "If anybody going present relations between our two countries as only involving question of few criminals he could only say it is making game of these talks". US uses "pretext" few criminals prevent improvement relations.⁷

I, of course, refuted along usual lines both governments had agreed civilians first order of business, major concessions US had

⁶ On February 1, an Indian Government spokesman in New Delhi confirmed that the Indian Embassy in Washington had not reported any cases of Chinese having been prevented from leaving the United States. (*New York Times*, February 2, 1957)

⁷ In letter No. 54 to McConaughy, February 14, Johnson commented on the impact of the prisoner issue on the course of the talks: "You know that I have long felt, and I continue to feel, that whatever other very useful and important purposes it may serve, the building up the issue of the release in fact works in the opposite direction. However, we are now so far down this road that I see no choice but to continue what we are doing. They have, of course, behaved very stupidly. The Agreed Announcement gave them a perfect back-drop against which to release them and they would, in fact, have gained enormously if they had done so. I am amazed that they did not have the intelligence to see it. It only goes to prove that they are not 'eight feet tall'. However, they have now got themselves on such a box on this that they could not do so even if they desired." (Department of State, Geneva Talks Files: Lot 72 D 415, Geneva, US-PRC Talks, Misc. Docs. 1956-1957)

made with respect Chinese in US, PRC implementation September 10 agreement test of good faith and fundamental first step in improvement relations, etc. Another fundamental step was renunciation force.

He made no reply whatever to my presentation on missing service men referring only his previous statements.

He proposed and I agreed next meeting March 14.

[Johnson]

237. Memorandum of a Conversation, Washington, February 18, 1957¹

PARTICIPANTS

State Department

The Secretary
Mr. Robertson
Mr. McCardle
Mr. Howe

Press Representatives

Mr. Robert Hurleigh, President, American Association of Radio & Television Correspondents
Mr. William Dwight, President of the Newspaper Publishers Association
Mr. Jenkin Jones, President of the American Society of Newspaper Editors
Mr. Henry Luce, Editor, *Time-Life-Fortune* (selected by agreement amongst the weeklies)

SUBJECT

Policy Concerning Travel of Americans to Communist China

The Secretary welcomed the group saying that he was appreciative of the opportunity of discussing frankly with them our policy on travel of Americans in Communist China. He recognized that we had perhaps not put forward as convincing a case as we should, in part because not all of it could be made public, and in part perhaps because we may not have considered all of the elements ourselves. In this latter respect he looked for the meeting to be helpful, and he hoped the meeting might come to some accord.

The Secretary then developed the factors underlying our policy and notably the fact that we were in a state of semi-warfare with Communist China resulting from the Korean hostilities and technically at warfare in the sense of the still-existing orders and regula-

¹ Source: Department of State, Secretary's Memoranda of Conversation: Lot 64 D 199. Official Use Only; Limited Distribution. Drafted by Howe.

tions. He touched upon the continuing threat of warfare and the violation of the armistice by the Chinese Communists.

The Secretary then said that over and above the argumentation that the gentlemen had undoubtedly heard often, there were two factors which he wanted to impress upon them which they might not have considered as thoroughly:

(a) First was the effect upon third countries, notably the anti-Communist countries of the Pacific and Southeast Asia, of any policy of permitting U.S. citizens to go to Communist China apparently with the U.S. Government's blessing. He described the difficulty which the maintenance of the morale of these countries presented to the U.S. and contrasted it with the European countries a few years back when Communism threatened, pointing out the lack of "depth" in resistance of these Far Eastern countries and their constant vulnerability to Communist pressure and to neutralism. Any indication of softening on the part of the U.S. would have extremely serious repercussions—tending to discourage those who oppose Communism and to encourage those ready to make an accommodation with the Communist Chinese. The Secretary developed the point that, as with Western Europe at one time, Communism was thought to be the "wave of the future" whereas now in Europe this has been changed and freedom is the "wave of the future." In the satellites there is evidence that freedom is surviving. In contrast there is no comparable feeling of resistance to the wave of the future attitude in the Pacific and Southeast Asia and it is therefore necessary to uphold the neighboring countries and this poses a difficult task.

(b) The cultural exchanges and traveling of Americans into Communist China is of such importance because the Chinese Communists, even as the Russians, seek this more than anything else in order to give themselves a sense of respectability that they do not have when they are on the U.S. forbidden list. Even more important, if they achieve cultural exchange with the U.S. then they can use it most effectively with the less strong neighboring countries. We can presumably trust the Americans who would participate in a cultural exchange, particularly the reporters, but the representatives of the weaker countries are far more vulnerable. Thus, the Secretary said, if we change our position and treat the Chinese Communists as respectable members of the international community, even though they have done nothing to earn it, the net effect in his view would be to weaken our overall anti-Communist position.

The Secretary then pointed out that he did not believe any policy revision could be limited to newspapermen; the admission of newspapermen would soon lead to missionaries, educators, businessmen and others in the area of cultural exchange.

Addressing the relationship of this problem to the prisoners held by the Chinese, the Secretary reviewed briefly the history of the prisoner problem. He mentioned the assertion by the Communist press after the failure to achieve a Dulles-Chou En-lai meeting that they, the Communists, would be more lenient when the U.S. attitude

on cultural exchanges was revised. The clear implication, the Secretary said, was that if we let newspapermen into Communist China, and perhaps others, it would constitute a revision sufficient to warrant the release of the prisoners. The Secretary quoted (and Mr. Jones asked for a specific citation) of the 14th of February 1957 statement² by the Chinese in the Geneva talks that it was not even necessary for the Communists to make reply to the Secretary's statements on February 5 since "the American press had already done the job for them." The Secretary said that it made his blood boil to observe such bargaining and that he was not ready to permit the Chinese Communists to make it seem profitable to use captive Americans in this way. In this connection he reminded the group that it was the Chinese Communists who connected the issue of the prisoners with the correspondents in the U.S.

The Secretary told the group that the President feels strongly on this issue even though a contrary impression seems to prevail that the policy is Walter Robertson's or his. He related that only a few evenings ago the President, following a discussion with some of his hunting associates at Thomasville, got sufficiently steamed up on the issue to call him and point out emphatically that he does not want to change his policy with the circumstances as they presently are.³

The Secretary touched upon the troubles which arose from a slow erosion of our policy and in this connection cited Senator Green's announcement today that the Chinese Communists should be recognized sooner or later.⁴

Also to show the effect of erosion, the Secretary described the difficulties which the Government had experienced on CHINCOM with the pressures exerted by other governments for a relaxation of the trade controls. After full and careful thought, the US had decided not to agree to liberalization even though bootlegging activity would thus be increased, simply because of the political impact of U.S. participation in such liberalization on the important anti-communist countries close to Communist China. The Secretary feared, along the

² See telegram 787, *supra*.

³ As recorded by the Secretary's Personal Assistant, Phyllis D. Bernau, the President and the Secretary had the following telephone conversation on February 13 on the question of permitting newspapermen to travel to China:

"The Pres asked if we have any change from the Chinese on those 10? No. The Pres mentioned allowing newspaper people in. The Sec referred to the mtg yesterday and Monday etc. We have word from Johnson at Geneva that this business is weakening our position there. We can't maintain our position if we can't persuade the newspaper people of the rightness of our position. The Pres said then we close our eyes to it. The Sec said Herter is doing it. The Pres said it is too bad. The Sec thinks we would get them out except they think they can get the newspaper people in and will hold them for something else don't know what." (Eisenhower Library, Dulles Papers, White House Telephone Conversations)

⁴ *New York Times*, February 19, 1957.

same lines of erosion, that with the inevitable passing of the elder, strong anti-Communists, such as Rhee and Chiang Kai-shek, leaders motivated by less deep conviction might permit a weakening which could lead to a loss of the countries without fighting.

The Secretary concluded by citing the allegory from St. Paul that it is not a question of one's own ability to take the strong meat and drink but whether one's taking of it "may be a stumbling block to them that are weak."

Mr. Robertson, at the Secretary's invitation, enlarged upon the Secretary's presentation. He pointed out particularly that we are not afraid of the reporting which will be forthcoming if U.S. correspondents go into China. He also said the Chinese Communists know full well the U.S. position and know that no Congressman has heretofore been able to see his way to come out for recognition; but the Chinese Communists are playing for Asia. He similarly emphasized the point that this was a policy for Americans generally, not just newspapermen.

Mr. Robertson then presented a chronology of Chinese Communist actions starting from the repudiation of all commitments on coming to power, the Korean invasion, the support on Viet Minh and undermining of Indo China, the negotiations for the release of the fliers, including the "play" for the travel of the mothers, the Geneva Conference and the subsequent Geneva meetings of Johnson and Wang. He reemphasized the Secretary's point that the Chinese Communists through all this were desperately seeking respectability and were seeking to attack us by subverting Asia first.

In response to a question from Mr. Jones, the Secretary reminded the group that it was the Chinese Communists who had related the problem of prisoners to the travel of correspondents and that this had made it considerably more difficult to lift the ban on travel.

Mr. Jones stated that he did not believe that the removal of the prohibition on the travel of newspapermen would mean it had to be removed for others. He pointed out that reporters do go everywhere when they are permitted (e.g., foxholes in wartime) and reporters now resent being made an instrument of foreign policy. Mr. Jones also took issue with the comparison with the European analogy made by the Secretary and said that the continued presence of reporters in the USSR when the rest of Europe was weak did not hurt our effort to strengthen anti-Communist forces and indeed probably helped it.

Mr. Jones said that he strongly disagreed with those who said that the Department should be defied and travel should be undertaken by correspondents despite the ban. He also said that there should be a passport control. The trouble was that the control in this instance was not right and appropriate.

There was an inconclusive exchange of comments on whether the presence of our embassies in satellite countries which we recognize did assist our people and the Oatis case was cited.⁶ The Secretary pointed out that Oatis was gotten out without submitting to blackmail. It was generally agreed, however, that there was no real danger to be feared for the safety of reporters if they went to China.

Mr. Robertson pointed out that the case with Russia was different in that we were not at war with Russia nor were the Russians holding U.S. prisoners and using them as hostages. He also reminded Mr. Jones that newspapermen do not go anywhere; the particular right of the newspapermen was to publish—and the Department strongly upheld this principle—not the right to go anywhere.

Mr. Dwight made reference to the ANPA resolution⁷ which he said had not been taken lightly and was motivated by the feeling that we would be the stronger through more knowledge. He would, however, agree with the Secretary that it would be difficult to limit the travel to reporters; this was, however, a calculated risk from which he thought we would get a net gain. The Secretary felt that Mr. Dwight should give more thought to the impact upon the anti-Communist neighbor countries, to which argument the Secretary had alluded earlier.

The discussion then turned to the question of reporters from other countries in Communist China. The Secretary pointed out that from the political standpoint the action of the U.S. in permitting admission was the only one that really mattered to the anti-Communist neighbor countries; these countries looked to us and were wholly dependent upon the U.S. determination not to recognize and not to make deals which would give respectability to the Chinese Communists. These countries had demonstrated an indifference to UK and French actions with respect to trade controls and a complete respect and dependence upon the U.S. position.

Mr. Dwight reemphasized his view that an informed U.S. public is the strongest weapon against Communist China and that the American public only has real confidence in American reporters.

Mr. Luce asked when the last time the President or the Secretary had given a forceful public presentation of the Chinese Communist crimes comparable to Mr. Robertson's eloquent presentation. He said that although Mr. Robertson had frequently spoken publicly on this subject, he thought there was a need for the President or the Secre-

⁶ William N. Oatis was the Associated Press correspondent in Prague, Czechoslovakia when he was arrested on espionage charges in April 1951. He was convicted and sentenced to 10 years in prison. After vigorous American protests, he was released in May 1953. For documentation relating to the Oatis case, see *Foreign Relations*, 1951, vol. iv, Part 2, pp. 1338 ff.

⁷ See footnote 5, Document 233.

tary to speak more often on it even though there still existed in the U.S. an overwhelmingly strong sentiment against Communist China. Mr. Luce said he put this forward as a related element because of his fear that the dangerous situation would "unravel" even by such weakening moves as Senator Green's suggestion on recognition.

Mr. Jones reverted to the comparison of the European situation and pointed out that even at the time of the Berlin blockade, which was a very real violation of agreements and a serious threat to the U.S. and the West, there was no talk of pulling out the correspondents. He also quoted from an official State Department press statement of a few years back concerning a revision in the travel authority granted for Americans going into the satellites in which travel was specifically not forbidden, but travelers were requested to consult with the Department. This he thought would be appropriate for the Chinese Communist situation.

The Secretary tried to explain the dilemma in which the Department found itself when addressing the problem of the anxiety of the USSR and Communist China to gain approval and respect through recognition and cultural exchange. He cited the example of the Summit. The actual evaluation of gain or loss he would leave to historians but it was undeniable that the Communists had gained tremendously and exploited the gain by being able to show all over the Communist world pictures of the President of the United States with Bulganin. In weighing the gains and losses inherent in this situation, the Secretary said that he was convinced there was a very great gain for us in maintaining our position and in not giving respectability to the Communist Chinese in the fashion they wished through admission of the correspondents and other travelers.

Mr. Luce raised the point that the admission of correspondents to Communist China represents a change on their part also since correspondents were banned from China in 1949. In this same connection, Mr. Jones cited an October 1949 press statement from the Department that said the effect of the Chinese ban on correspondents from Communist China was to blot out the free press in order to force recognition; thus there seems to be a reversal of the positions. Mr. Robertson pointed out that this was, however, prior to the Korean War and the circumstances were considerably different now.

Mr. Jones noted that we did not withdraw correspondents or take comparable steps at the time of the Russian atrocity in Hungary. The Secretary pointed out that we had sharply curbed our cultural exchanges and to do otherwise would have been unthinkable.

Mr. Hurleigh pointed out that he had been unable to get an expression of views on this matter from his association members so that his statement was speaking personally but he believed very strongly that the Department's and the Secretary's position was en-

tirely correct and that at least his network would, following this meeting, try even more to clarify the position to the American people. He saw American newsmen simply as Americans in this proposition.

Mr. Luce indicated that he had not taken any definite position for himself or for the people whom he "more or less represented" but that he was inclined to follow the position of the two newspaper associations.

The Secretary emphasized once more his inability to let down the barriers for certain newspaper people and then draw the line against the travel of other Americans. Instead he saw that any weakening of the position would be a breakdown in our whole policy and therefore an achievement by the Chinese Communists of cultural exchanges which they so much desire and would view as a complete victory. The Secretary again expressed his regret that the more compelling parts of this argument could not be made public, notably the extremely difficult morale problem related to the neighboring anti-Communist countries who face the all-pervasive power and culture of a Communist China in the area. He was convinced that a change in our policy would make our whole problem in the area very much more difficult.

Mr. Luce left the meeting stating that he would like to concert with Messrs. Jones and Dwight and possibly respond to the Secretary in a report, which probably should be one to be held in confidence.

In response to an inquiry from Mr. Jones, Mr. Robertson explained that of the 10 prisoners 8 were missionaries and 2 were civilian employees of the Defense Department who had been in a downed airplane flying, as he recalled it, from Formosa to Japan. However, he pointed out that the "innocence" of these men was not at issue since the Chinese Communists had, after full examination and discussion of the individuals, agreed that *all* would be released.

The Secretary expressed appreciation for the opportunity to discuss this critically important and difficult situation with these people and to have been able to tell them of our reasoning and thinking. He hoped that they would think over the whole situation, including especially those facets of the problem which he had pointed out were an essential element in the formulation of the policy but which were not as well known as the equally important elements involving the press coverage. He wanted the group to think carefully over the matter before expressing to him any further views.

238. Editorial Note

On February 27 Chairman Mao Tse-tung delivered a speech "On the Correct Handling of Contradictions Among the People" to the Eleventh Session of the Supreme State Conference of the People's Republic of China. The text of the speech was released to foreign correspondents in Peking on June 18. For reaction within the United States Government to the speech, see Documents 264 and 265. Mao's speech, as released by the Chinese Government, is printed in Robert R. Bowie and John K. Fairbank (editors), *Communist China, 1955-1959: Policy Documents with Analysis* (Cambridge, Massachusetts: Harvard University Press, 1971), pages 275-294.

239. Memorandum of a Conversation, Department of State, Washington, February 27, 1957 ¹

SUBJECT

Military Problems on Taiwan

PARTICIPANTS

General Yu Ta-wei, Minister of National Defense, ROC
 Walter S. Robertson, Assistant Secretary, FE
 Walter P. McConaughy, Director, CA

General Yu Ta-wei called at his request, following three months of medical treatment in this country, and on the eve of his return to Taipei. He said that he was concerned at the rapid increase in Chinese Communist capabilities for attack against Taiwan. He did not know whether a Communist assault against Taiwan or the off-shore islands was probable. But the capability was there and it was growing every month. The Chinese Communists had made great sacrifices in order to expedite completion of the railroad into Amoy and Foo-chow. They had also exerted themselves in order to speed completion of the system of forward air bases in the coastal area of Fukien Province. These bases were not now occupied, but they could be occupied almost overnight. He thought these forward bases would be used for fighter planes which would be used to protect the heavy bombers which, with their longer range, would come from rear bases around Nanching and other places farther west. The Minister thought that the Chinese Communists had sacrificed part of their industrial mobi-

¹ Source: Department of State, Central Files, 793.5/2-2757. Secret. Drafted on March 5 by McConaughy and approved by Robertson.

lization scheme in Manchuria, and in Yumen and elsewhere in west China in order to accelerate the build up of military capabilities opposite Taiwan. The Communists must have something pretty definite in mind in order to give this high priority to the South China build up in the face of strong competing demands elsewhere.

The Minister said it would be very useful to the commanders of the garrisons on Quemoy and Matsu if more could be known of the U.S. military plans in the event of a Chinese Communist attack on the off-shore islands. The Chinese Commanders would plan differently for a one-week campaign without assistance than they would for a holding action of indefinite duration without assistance.

Mr. Robertson reminded General Yu that the President was fully empowered under the Joint Resolution of January 29, 1955² to make this decision, and the President alone could make it. The President would have to make a decision in the light of all the circumstances at the time as to whether an attack of that sort were related to the security of Taiwan. The Chinese Government should not anticipate any decision in the matter in advance, because it could not be forthcoming. Mr. Robertson offered to give the Minister a copy of the Joint Resolution of Congress, but the Minister said the Resolution was his "Bible" and he did not need to see a copy of it. Mr. Robertson expressed some skepticism as to whether a Chinese Communist attack was probable, but agreed that it was a possibility which the GRC had to reckon with.

General Yu said that he felt that his work of rebuilding and expanding the Chinese Army was now about finished, enabling him to concentrate on strategic problems. He felt that his work of converting the Chinese Army from a poorly organized group of mercenaries into a modern well-trained force was his greatest achievement. He felt he would be remembered for this after everything else he had done was forgotten. He described how the conscription system worked. All 20-year old men, both Taiwanese and Mainlanders, were automatically conscripted for 2 years. They were given 4 months of basic training in nine combat regiments, then 20 months of active duty in the 21 regular divisions. After the completion of the 2 years of active service, the draftees were placed in the active reserve for several years. The active reserve maintained 9 reserve divisions. He said that this system of training had brought the average age of the soldier down to 26 years, and it would soon be further reduced to 24 years. Morale was excellent and the Taiwanese were serving without complaint, on a basis of friendship and non-discrimination, with the Mainlanders. The system had enabled the Government to bring the 21 active divisions almost to full strength. The seven divisions on

² See vol. II, Document 56.

Quemoy and Matsu were at full strength or slightly over, and the 14 divisions on Taiwan would soon be at about 95%.

General Yu said that he felt it was essential to expedite the completion of the Matador missile project. His Government had regretted the premature publicity which came from American military sources. Since the information had been released, he felt it was important to get on with the exchange of notes and the actual installation. He had been told at the Pentagon that the project had been given complete approval there, and that the next move was up to the State Department.

In response to a question from Mr. Robertson, Mr. McConaughy stated that no agency was holding up the project. Both Defense and State agreed that the project should be pushed vigorously. There had been some technical obstacles to be overcome. We were working on the formal exchange of notes, and we expected to be able to move rapidly from this point on.

General Yu said he was also anxious to see the Kung Kuan airfield project pushed more aggressively. He said this air base actually would be principally for American use, and he thought it was in the U.S. interest to proceed with the construction with a minimum of delay. He feared that budgetary problems might have caused some loss of valuable time.

Mr. Robertson assured him that we were fully committed to pushing the undertaking with all possible speed. No serious financial difficulty was anticipated.

General Yu said that he felt Taiwan was seriously deficient in defense against air attack. The 90-mm aircraft guns could not reach the high altitude modern Communist planes, such as the Soviets were supplying to the Chinese Communists. He said that the best U.S. anti-aircraft devices were needed to protect Taiwan. He expressed the hope that "Nike" missiles could be installed in the near future. He said that electronic equipment on Taiwan needed to be modernized and expanded. The modern war plane was sustained by electronic aids just as completely as the sailing ship of old was supported by the water. The best electronic equipment would be needed both to track and intercept enemy planes and to support our own. He included better radar in this reference to electronic equipment.

Mr. Robertson told General Yu that the matters he had dealt with fell largely in the military sphere, but we too were of course interested in improving the defense capabilities on Taiwan. We were confident that these matters would receive thorough consideration in the Department of Defense.

240. Editorial Note

At its 314th meeting on February 28, the National Security Council discussed NSC 5707, "Review of Basic National Security Policy: Basic Problems for U.S. Security Arising Out of Changes in the World Situation". (A copy of NSC 5707, dated February 19, is in Department of State, S/S-NSC Files: Lot 63 D 351. NSC 5707/8, which was adopted by the NSC on June 3, is scheduled for inclusion in the National Security compilation in a forthcoming volume.) The NSC discussion on February 28 focused, in part, upon "the rising position of Communist China", and Special Assistant Cutler read to the Council a statement of the problem and the consequences for United States security, as framed by the Planning Board:

"The Problem:

"Communist China continues its economic and military growth. It is increasingly treated as a great power in the international community, passing its potential local rivals for leadership in the Far East and exerting greater influence in the Communist bloc.

"Consequences for U.S. Security include:

"a. *Implications for Free Asia.* Non-Communist Asians are increasingly sensitive to Peiping's preponderant military power and rapid economic growth. Neither of its potential rivals, India or Japan, exerts a successful counter-influence in the area. Elsewhere, most of the other Free Asian states, including India, have been unable to match its rapid economic development.

"b. *Acceptance.* Present trends will require increasing effort and resources in order for the United States to prevent Communist China from being admitted to the UN and recognized by additional Governments, and could ultimately jeopardize the continuation of an independent Taiwan unless protected by an acceptable general settlement.

"c. *Sino-Soviet Relations.* The increasing role of Communist China in the affairs of the bloc could create opportunities for the United States to exert divisive pressures on Sino-Soviet relations."

Secretary Dulles took exception to the assumptions upon which he felt the statement presented by Cutler was premised:

"Secretary Dulles replied that he disagreed more strongly with this portion of NSC 5707 than with any other part of the report. It seemed to him that the statement on the rising position of Communist China fully accepted the view that Communist China represented the wave of the future for Asia and that we must accommodate ourselves to this alleged fact. Such views as to the wave of the future prevailed not so very long ago with respect to the Soviet Union in Europe, but certain things had happened, and happened quite recently, to make the situation appear quite otherwise. These same people

now feel that the wave of the future is with the Free World countries and not the Communist powers. Everywhere in the world the local Communist Parties have weakened, their discipline gone and their loyalty to Moscow seriously impaired. Indeed, Communist weakness generally had been so exposed that the Communist regimes could no longer even be sure of the loyalty of their own younger generations, who had been brought up with knowledge of nothing but Communist regimes. Thus Communism is not the wave of the future, but is rather a receding wave.

"Secretary Dulles further predicted that developments would in the future come in Communist China which would just as effectively prove that Communism was not the wave of the future in Asia as events had already proved that Communism was not the wave of the future in Europe. Therefore, Secretary Dulles thought that there was no point whatsoever in the argument that we must make some kind of a bargain with Communist China in order to save Taiwan—for example, admitting Communist China into the United Nations. In the future—perhaps in one year, two years, five years—Communist China will be on the defensive. There is no need for the United States or the Free World, therefore, to accommodate to the Communist Chinese and give them what they want—the view which seems to be implicit in this section of NSC 5707. Indeed, NSC 5707 might be described as a rather dangerous paper."

Dulles concluded at the end of the discussion that "the course of action which would most certainly undermine the Chinese National Government on Taiwan and lose the island to the Communists would be a general settlement between the United States and Communist China". The President agreed.

241. Memorandum of a Conversation Between the Secretary of State and Frank Bartholomew, Head of United Press, Washington, March 3, 1957 ¹

At the Gridiron Club Dinner I sat next to the head of the UP. He spoke to me about the ban on newspaper people to China. He suggested the possibility that some arrangement might be made whereby one or possibly three persons would be agreed upon by all of the news media to go to China on a reporting mission and that if it could be handled in this way that would get away from the concept of a general breakdown of ostracism of the Chinese Communists and a beginning of "cultural exchange".

¹ Source: Eisenhower Library, Dulles Papers, General Memoranda of Conversation. Official Use Only. Drafted by Dulles.

I said that if indeed the news media could agree upon one person or not more than three to go to China on such a mission I thought we might be able to set it up in a framework which would be free of the difficulties which I had foreseen in any general relaxation of restrictions. I invited him to explore this further and he said he would do so. I likened the situation to where in time of war or under special conditions the news agencies agreed upon a pooling of their resources through one or a very limited number of persons.

I said I questioned whether the Chinese would accept this but nevertheless it might be a good try.

242. Memorandum From the Assistant Secretary of State for Far Eastern Affairs (Robertson) to the Secretary of State ¹

Washington, March 6, 1957.

SUBJECT

Agreement with Chinese Government to Permit Disposition of Matador Flight on Taiwan and Penghu.

REFERENCE

Department Circular No. 175. ²

In accordance with the provisions of Department Circular 175 of December 13, 1955, I request that you authorize our Embassy at Taipei to negotiate an agreement pursuant to our Mutual Defense Treaty with the Government of the Republic of China which will permit the disposition of a flight of Matador missiles, together with the necessary personnel, on Taiwan and Penghu. The stationing of a flight of Matadors on Taiwan and Penghu would be in accordance with Articles II and VII of the Mutual Defense Treaty (Tab B ³).

The Department of Defense has determined that the disposition of a flight of Matadors on Taiwan and Penghu is advisable and would materially strengthen the free world defensive position on

¹ Source: Department of State, ROC Files: Lot 71 D 517, 1957 Top Secret Matador Project. Top Secret. Drafted in CA by Comiskey and concurred in by L/EUR, L/MSA, L and by OSD/ISA.

² Department Circular 175, December 13, 1955, outlined the proper exercise of the treaty-making and executive agreement-making powers of the United States. This circular is among a collection of Departmental circulars in the Department of State library.

³ Not found attached. For text of the Mutual Defense Treaty between the United States and the Republic of China, signed in Washington on December 2, 1954, see 6 UST 433.

these islands, the retention of which in friendly hands has been deemed essential to the security of the United States. From the political standpoint, the disposition of a Matador flight on Taiwan and Penghu would serve our policy objectives by giving further evidence of our determination to assist in the defense of the islands, thereby enhancing the morale of our Chinese allies, encouraging our other Asian allies, and serving as a further deterrent to Chinese Communist aggression. For these reasons, this project was approved in principle, and when brought to the attention of the Chinese, it secured their immediate and enthusiastic oral concurrence.

It is now proposed to secure through an exchange of notes with the Chinese Government more formal arrangements governing the disposition of the Matador flight on Taiwan and Penghu. These arrangements would place the Matador unit and its personnel under the "MAAG umbrella", pending completion of the status of forces and military facilities agreement now being negotiated at Taipei. Copies of our MDA agreements with China, defining MAAG status, are attached (Tab C ⁴).

At the time that this exchange of notes is being negotiated our Ambassador would tell the Chinese that we would not expect them to provide free facilities for this unit other than necessary land, any improvements which might exist thereon and required rights of way. It is desirable to clarify this point with the Chinese, because in the past other non-MAAG units, covered under the "MAAG umbrella", have mistakenly assumed the Chinese authorities would provide them with the same facilities it provides the MAAG with respect to housing, office space and related items. It was not our intention to request such facilities for other non-MAAG units when they were sent to Taiwan. Defense has so informed the Services and it is advisable to reassure the Chinese on this matter. This position is in conformity with our stand in the status of forces negotiations.

In addition, our Ambassador will provide the Chinese with a copy of the "requirement" for the Matador flight (Tab D ⁵), which it is intended will eventually appear as a classified annex to the agreement on status of forces and military facilities now being negotiated.

⁴ Not found attached. For text of the Mutual Defense Assistance Agreement of 1951, effected by an exchange of notes on January 30 and February 9, 1951, see 2 UST (pt. 2) 1499-1507. The Mutual Defense Assistance Agreement of 1952, effected by an exchange of notes on October 23 and November 1, 1952 is printed in 3 UST (pt. 4) 5166.

⁵ Attached but not printed. The requirement listed the land and support services which would be necessary for the development of the main facility as well as the support facilities envisioned for the Matador Missile Project on Taiwan.

Recommendations:

That you authorize the Embassy at Taipei to negotiate and conclude a classified agreement covering the Matador unit and its personnel on the basis of the attached draft (Tab A⁶), any changes therein to be approved by the Assistant Secretary for Far Eastern Affairs, the Legal Advisor, L/EUR, L/MSA and Defense.

Approved: RM⁷

That you authorize the Embassy to prepare a complete translation of the Chinese text of the agreement, together with a signed memorandum from the responsible officer in the Embassy certifying that the foreign-language text and the English-language text are in conformity with each other and that both texts have the same meaning in all substantive respects.

Approved: RM

⁶ Attached but not printed.

⁷ Secretary Dulles left Washington on March 6 for Canberra, where SEATO Council meetings were scheduled for March 11-13. In his absence Deputy Under Secretary Murphy acted for Dulles on this memorandum.

243. Telegram From Ambassador U. Alexis Johnson to the Department of State¹

Geneva, March 14, 1957—6 p.m.

881. Two hour meeting this morning with no new developments. Wang opened with statement attacking "stepping up" of slanderous attacks and false charges by US spokesmen. Secretary's Canberra statement² was "particular evidence this campaign poison atmosphere and try slander China in order arrest improvement Sino-American relations". This contrary attitude of even American people where even including "some occupying important positions were speaking out for change in US ostrich policy toward China". USG

¹ Source: Department of State, Central Files, 611.93/3-1457. Confidential; Priority; Limit Distribution. Repeated for information to Saigon for Robertson who was traveling with Dulles following the SEATO meetings.

² Reference is to the statement made by Dulles on China policy on March 12 at the SEATO meetings in Canberra. The statement began: "The United States adheres steadfastly to the three main aspects of its China policy, which is to recognize the Republic of China; not to recognize the so-called People's Republic of China; and to oppose the seating of this People's Republic in the United Nations as the accredited representative of what the charter calls the Republic of China." Full text of the statement is printed in Department of State *Bulletin*, April 1, 1957, pp. 531-532.

"trying through renunciation force doctrine induce China recognize present status American control over Taiwan". Military control over Taiwan being "incessantly intensified" extending military bases and planning install guided missiles. "Aggressive steps by US in Taiwan would only enable all Chinese patriots including those now on Taiwan recognize" US attempting enslave Chinese nation. Chinese people desire "be kindly terms" with American people. Referring to FMC, trade and cultural proposals "if there will and desire" by US improve relations should get down to serious discussions rather than entangling talks by introducing side issues.

I carried out theme paragraph 1 Deptel 895³ pointing out PRC had agreed civilians first matter and by refusing to solve was blocking progress. Agreed announcement was also test good faith and value of agreements but had operated only to advantage PRC. American spokesmen had and would continue express growing sense outrage of American people against PRC bad faith in carrying out that agreement. PRC failure resolve question American civilians belied their professions desire improve relations, et cetera. Also cited failure PRC agree renunciation force.

Give and take centered almost entirely around implementation with Wang reiterating familiar charges, and I reiterating theme only way to progress was carrying out agreed announcement, citing GOI and UK as proofs of who had demonstrated good faith with respect agreement. During course give and take informed him departure of Lee Li-chuen.⁴

Meeting closed on note my blunt reiteration release Americans and renunciation force essential.⁵

He accepted my proposal next meeting Thursday April 11.

³ In paragraph 1 of guidance telegram 895 to Geneva, March 11, Johnson was instructed to: "Keep discussion throughout meeting centered on growing sense outrage American people over failure Chinese Communists keep pledge of September 10, 1955". (Department of State, Central Files, 611.93/3-1157) In letter No. 66 to Johnson, March 8, McConaughy noted that before Robertson left for Canberra, his "last word was that you could and should be as tough as you wanted to be in dealing with Wang on the violation of the Agreed Announcement. He sees no reason to pull your punches on this issue". (*Ibid.*, Geneva Talks Files: Lot 72 D 415, Geneva, US-PRC Talks, Misc. Docs. 1956-1957)

⁴ Lee Li-chuen was a seaman on a ship registered to the Republic of China who had overstayed a period of temporary admission to the United States and was subject to deportation. According to the full record of the 66th meeting sent to Washington by pouch on March 14, Johnson informed Wang that Lee Li-chuen had left the United States on February 23 en route to Hong Kong, with the intention of proceeding to the People's Republic of China. (*Ibid.*, Central Files, 611.93/3-1457)

⁵ In letter No. 55 to McConaughy, March 14, Johnson noted: "You will see that nothing remarkable developed at today's meeting. At the end I virtually dared him to make a move to break off if he wanted to but he didn't accept the challenge". (*Ibid.*, Geneva Talks Files: Lot 72 D 415, Geneva, US-PRC Talks, Misc. Docs. 1956-1957)

Full record by pouch leaving tonight.

Returning Prague tomorrow morning.

[Johnson]

244. National Intelligence Estimate ¹

NIE 13-57

Washington, March 19, 1957.

COMMUNIST CHINA THROUGH 1961 ²

The Problem

To examine the present situation in Communist China and its international relations, and to estimate probable developments during the next five years.

Conclusions

1. The Chinese Communist Party will almost certainly continue to exercise effective control over mainland China during the period of this estimate and will press forward with its program of creating a powerful industrialized Communist state. Through a combination of incentives and repression the regime will probably be able to prevent popular discontent from becoming a significant factor in retarding the momentum of its program. (*Para. 19*)

2. The Chinese Communists will probably continue to make substantial progress in industrial development but agricultural production will probably increase at only 50 percent of the planned rate of increase and thus will tend to restrict the rate of overall economic growth. (*Para. 37*)

3. Communist China has placed great emphasis upon maintaining and developing its armed forces as a basic aspect of national power. With Soviet assistance, its military capabilities have become

¹ Source: Department of State, INR-NIE Files. Secret. NIE 13-57 superseded NIE 13-56, "Chinese Communist Capabilities and Probable Courses of Action Through 1960", January 5, 1956. See Document 126. Two maps showing the distribution of railroads and military airbases on mainland China are not reproduced.

² According to a note on the cover sheet, "The following intelligence organizations participated in the preparation of this estimate: The Central Intelligence Agency and the intelligence organizations of the Departments of State, the Army, the Navy, the Air Force, and The Joint Staff". All members of the Intelligence Advisory Committee concurred in this estimate on March 19, 1957, except for the Atomic Energy Commission representative and the Assistant Director, Federal Bureau of Investigation, who abstained because the subject was outside of their jurisdiction.

far greater than those of any other Asian power and will probably continue to increase during the next five years. (*Paras. 38-39*)

4. The position of the Chinese Communists in the Communist world has been greatly enhanced as a result of developments since the death of Stalin and particularly because of the prominent role they have played in Bloc affairs in the past year. Peiping will probably further increase its influence within the Communist Bloc and will have an important voice in matters affecting the Bloc as a whole. Communist China will continue to rely on the Bloc for the bulk of its military and economic imports. Although it is probable that some conflicts of interest and disagreements will develop between Moscow and Peiping, it is highly unlikely that either will permit such conflicts to impair Sino-Soviet solidarity. (*Paras. 40, 43*)

5. Communist China's influence has increased markedly in the non-Communist world, and its presence is especially felt in Asia. The Chinese Communists have been able to create the impression in much of non-Communist Asia that Communist China is a dynamic, permanent, and perhaps not unfriendly world power, which it is unwise to offend by too close alignment with the West. At the same time, however, there is apprehension concerning Communist China's real intentions and a recognition, though seldom voiced publicly, of the importance of the US in restraining Communist China from overt aggression. (*Paras. 44, 54, 57-58*)

6. The replacement of Western influence by Communist influence in Asia will continue to be a major Chinese Communist objective. In its approach to this objective and other international problems, Peiping will probably try to avoid courses of action which it believes would provoke US military intervention. It will remain hostile to the US, and will not offer major concessions on basic issues. Nevertheless, it will probably endeavor to appear conciliatory and flexible on international issues. At the same time, it will continue its subversive efforts, and will take advantage of opportunities for Communist expansion, possibly including the extension of support to armed revolts against non-Communist governments. Peiping will remain determined to obtain control of Taiwan, but will almost certainly not attempt to seize Taiwan by force so long as the US is committed to its defense. (*Paras. 59-60, 62, 64*)

[Here follow five pages of the text of NIE 13-57, which begins with a discussion of political and economic developments in the People's Republic of China.]

30. *Major Economic Problems.* In view of the difficulties of increasing the amount of land under cultivation, the regime's success in increasing agricultural production will depend largely on its ability to raise yields. The quality of the soil and the supply of water are adequate to support a substantial increase in output per acre, provided a heavy

investment is made in fertilizers and irrigation. However, we believe the total investment in agriculture included in the Second Five Year Plan (1958-1962) is inadequate for achieving the agricultural goals. State investment is largely limited to some large scale flood control and irrigation projects. The bulk of the investment, which will be for local projects, is to be provided by the collectives from their own production, over and above their contribution to the national budget.

31. Whether the collectives will fulfill their goals will depend in part on the peasants' reaction to collectivization. During the first year of full scale collectivization (1956), peasant reaction was not unduly adverse, probably because of the prospects for a good crop year. We believe a continuation of this attitude will depend largely on whether the regime is able and willing to permit some increase in the real earnings of the peasants. The prospect for a rising peasant income will rest on the regime's decisions regarding total national expenditure and investments, and on the weather. We believe that the regime, recognizing this problem of peasant incentive, will probably make some concessions to the peasants, and cadres have already been instructed to limit the investment, welfare, and reserve fund allocations from the income of the collectives in order to maximize direct payments to the peasants. This situation will tend to limit the additional resources for investment which the regime can hope to mobilize through its collectivization program, and in addition will render the program vulnerable in the event farm output fails to increase.

32. Even with adequate progress in capital formation, the regime will still have the continuing problems of planning and of proper allocation of investment. As the industrial sector becomes integrated, orderly progress will depend on timely, realistic, and accurate planning which avoids mistakes such as those which in 1956 resulted in shortages of cement and steel, shortfalls in petroleum production, low quality of output in many industries, and shortages of commodities for export. The planners must also act to end the serious congestions and delays which have occurred on various sections of the railroads.³

33. The shortage of trained personnel will continue to be another problem of major proportions. The increase in investment, the projected completion of new plants, and the progressive integration of industry, are certain to accelerate the requirements for trained personnel in industry. In particular, the Communists admit that the development of necessary skills is the critical factor in the establishment and expansion of such industries as chemical, telecommunica-

³ See paragraphs 16-25, Appendix A, for a discussion of transportation. [Footnote in the source text. All the appendixes and tables cited in the document are attached but not printed. Appendix A is entitled "The Economy of Communist China."]

tions equipment, and precision machinery. During the Second Five Year Plan period the educational system will find it difficult to provide both for its own expansion and for the needs for trained personnel in industry and agriculture. Moreover, the shortage of scientific manpower will continue and scientific research and development will remain limited.

34. There will also be the problem of satisfying the increasing requirements for essential imports of machinery and other commodities. Further increases in production in almost all industries will depend upon installations of new productive capacity, much of which is to be furnished by the Soviet Bloc, but some of which will come from the West. During the period of this estimate, the Chinese Communist ability to import will be adversely affected if, as it now appears, the Soviet Union extends no further credits. It will also be adversely affected by the need to repay outstanding Soviet credits and by the extension of grants and credits to Asian Communist and non-Communist countries. Exports will therefore have to be increased even more than imports, which will be difficult in view of present problems in squeezing out agricultural goods for export. Moreover, developments within the Soviet Union and the European Satellites may have an important adverse impact on the volume of imports from the Bloc and the timing of their arrival. Delay or curtailment of scheduled installations as a result of stresses within the Bloc could have a seriously depressing effect upon the Chinese Communist rate of industrial growth. However, if Western trade controls were relaxed the regime's dependence on the Bloc would be reduced and its import problems eased.⁴

35. There will also be the continuing drain on resources to maintain the large military establishment, which is scheduled to account for 13 percent of the budget during the Second Five Year Plan, as against 18 percent in the First Five Year Plan. In absolute terms, the plan provides that military expenditures will remain approximately at 1956 levels. Not only does military spending reduce the funds available for other purposes, but it also competes for commodities in short supply such as steel and trucks, and takes a large share of the earnings from exports to finance military imports.

36. *Prospects.* We believe that many of the targets of the Second Five Year Plan, as it now stands, are unrealistic and cannot be achieved. It is likely that the regime, which appears to recognize this situation, will reduce some of the goals. However, despite the existence of the difficult problems discussed above, the Chinese Communists have demonstrated an ability to cope with similar problems in

⁴ Trade controls are discussed in paragraphs 23 and 24 of Appendix A. [Footnote in the source text.]

the past, have achieved considerable momentum, have further strengthened their control mechanism, and will probably continue to make progress.

37. Barring a series of natural disasters or the outbreak of war in the Far East, we believe that the gross national product will increase at an annual rate of six to seven percent during the period 1956–1962, as compared with an annual rate of increase of approximately seven to eight percent during the period 1952–1957. This increase will result in a total increase in GNP of 35–40 percent during the period 1958–1962 as compared with the 45 percent envisaged in the proposal for the Second Five Year Plan announced in September 1956. Agricultural output will probably increase at an average annual rate of about three percent rather than the planned rate of six percent. Since the regime will have to compensate for the shortfall in agriculture, the Chinese people, especially the peasants, will be placed under heavy strain. However, it is not likely that the regime during the five year period will push the investment program to the extent that no increase in per capita consumption is possible, although they may do so for short periods to make up for temporary setbacks.

The Military Establishment ⁵

38. The Chinese Communist regime has placed great emphasis upon maintaining and developing its armed forces as a basic aspect of national power. With Soviet assistance, it has become by far the strongest Asian military power. The ground forces of the People's Liberation Army total 2,500,000, many of whom are battle tested and most of whom are fairly well trained. The air arm, including naval aviation, is estimated to have 395 jet light bombers and 1,475 jet fighters. The naval forces include four destroyers and 13 submarines, with additional units under construction, and an estimated 315 aircraft. Of the latter, 160 are jet light bombers and 30 are jet fighters.

39. The armed forces probably will not increase their personnel strength in the next few years, but the power of these forces will grow as the ground force and the air arm are more completely equipped with improved weapons, and as the navy completes or acquires additional submarines and large patrol vessels. Communist China will remain dependent on the USSR for most major items of military equipment and a large part of its POL supplies during the period of this estimate.

⁵ See Appendix B for a more complete discussion of the Chinese Communist military establishment. [Footnote in the source text.]

II. Communist China Within the Communist World

40. The position of the Chinese Communists in the Communist world has been greatly enhanced as a result of developments since the death of Stalin and particularly because of the prominent role they have played in Bloc affairs in the past year. Communist China's initial reaction to Soviet criticism of Stalin was one of aloofness and noninvolvement, with Peiping taking care to point out Stalin's "strong points" as well as his "weaknesses." However, as a result of the Polish and Hungarian crises, Peiping has become increasingly involved in Eastern European affairs. It has asserted the necessity for each Communist country to develop with due regard to its own political and social backgrounds, has pointed out that no one Communist country is entitled to adopt an attitude of superiority over other Communist countries, and probably has favored a more flexible approach in Soviet relations with the Satellites. Communist China has so far not joined in Soviet criticism of the Polish press and there is some evidence of Sino-Soviet differences on Poland. On the other hand, it supported the Soviet use of force in Hungary and has insisted that the first duty of all Communist countries is loyalty to international proletarian solidarity under the leadership of the Soviet Union.

41. The tone of authority in the Chinese Communist statements and the need apparently felt by the Kremlin for Chinese support on Eastern European issues have made a deep impression on the Communist world, and have further weakened the concept that Moscow is the only authoritative interpreter of Communist ideological guidance. The actions of the Chinese Communists would appear to suggest an awareness of the need for some concessions to nationalism in the interests of Bloc solidarity.

42. The Chinese Communists, in many cases, are the channel through which Asian Communist parties receive guidance, although most of these parties probably look to the Soviet Union for leadership. The Chinese Communists exercise substantial influence in North Vietnam and North Korea. Communist China has extended a credit of \$320 million to each of these countries, continues to maintain large forces in North Korea, and is the principal supplier of military assistance for North Vietnam. Communist China is developing influence in Outer Mongolia, which until recently was an exclusive preserve of the USSR. In 1956, the Chinese Communists extended a \$40 million credit over a four year period to assist the Mongolians in the construction of light industrial facilities, and supplied a large number of technicians.

43. During the period of this estimate, Peiping will probably further increase its influence within the Communist Bloc and have an

important voice in matters affecting the Bloc as a whole. However, Communist China will continue to rely on the USSR and the Communist Bloc as the chief source of the imports, aid, and technical assistance essential to its military and economic programs. In addition, Peiping will almost certainly continue to rely on Soviet military guarantees as its chief insurance against what it regards as the danger of US attack. Although it is probable that some conflicts of interest and disagreements will develop between Moscow and Peiping, it is highly unlikely that either will permit such conflicts to impair Sino-Soviet solidarity.

III. Communist China's Relations With The Non-Communist World

44. Communist China's influence has increased markedly in the non-Communist world, and its presence is especially felt in Asia. It has formal diplomatic ties with less than one-third of the countries of the world, but these include India, Burma, Indonesia, Ceylon, and Pakistan. There is a growing pressure for normalization of relations with Communist China, especially in Japan, in Western Europe, and in the British Commonwealth. US influence has been the major factor in preventing a much greater number from recognizing Communist China and agreeing to its admission to the UN.⁶

45. Communist China has broadened its contacts, even with those countries with which it does not have diplomatic relations. It has expanded trade with many countries in the non-Communist world and has regularly participated in trade fairs. There has been a steady increase in the exchange of official and unofficial delegations and Chinese Communists have frequently cultivated specific targets such as professional, intellectual, and religious groups and offered them free tours to mainland China.

46. In order to promote trade ties with underdeveloped countries, Communist China has in several cases selected items for trade because of their political impact. For example, despite a shortage of steel in Communist China, 37,000 tons were exported to Egypt in the first half of 1956. Other examples have been the rice-for-rubber deal with Ceylon, the Sino-Burma trade agreement, and the suggestions to Japan that large amounts of coal and iron ore would be available in exchange for machinery and steel.

47. The Chinese Communists have also used economic assistance to gain influence. The Sino-Cambodia aid agreement, which was signed in June 1956, provides for a grant-in-aid of about \$22.4 million during 1956 and 1957 in the form of technical assistance, construction materials, and merchandise. Both countries have stressed

⁶ See Appendix C: Countries recognizing Communist China. [Footnote in the source text.]

the "unconditional nature" of this aid. Under an agreement signed in October 1956, Nepal is to receive grants totaling approximately \$12.6 million over a three year period. The Lao government has not yet acted on Chinese Communist offers of assistance.

48. The Chinese Communists have demonstrated interest in developing the Asian-African Bloc as an instrument to weaken Western economic and political influence in underdeveloped areas. At the 1955 Bandung Conference Chou En-lai took a leading part and actively supported the "Bandung spirit of peaceful coexistence." This has since become one of the main slogans of Chinese Communist foreign policy, designed to convince non-Communist Asian nations of the peaceful intentions of Communist China and to facilitate an increase in Communist influence in these areas.

49. Emphasis on the "Bandung spirit of peaceful coexistence", however, has not caused the Chinese Communists to cease their efforts to gain the allegiance of Overseas Chinese communities, or to abandon subversive activities in Southeast Asia. Moreover, the build-up of Chinese Communist military capabilities and occasional border incursions constitute a continuing pressure on neighboring countries.

50. Peiping is attempting to increase its influence, and eliminate that of Nationalist China, in the Overseas Chinese communities, especially those of Southeast Asia. It is attempting to obtain control of local Chinese schools, newspapers, organizations, and leaders, and is conducting a large scale propaganda campaign to revive interest in Chinese culture. In mainland China, preferential treatment has been promised to Overseas Chinese students and to relatives of Overseas Chinese. Although these efforts have resulted in some increase in Communist China's influence among Overseas Chinese, the bulk of the latter still appear to be intent on improving their positions in their resident countries, and seek to avoid involvement in the struggle for their allegiance.

51. The Chinese Communists are giving covert support to indigenous Communist groups in Asia. This policy has been followed even in the neutralist countries despite its adverse effects on Chinese Communist relations with the governments concerned. In Burma, the government is concerned over the assistance given by the Chinese Communist Embassy to the local Communists. Many Indonesians, particularly in the army and the Moslem parties, are disturbed by the ties between the Indonesian Communist Party and Peiping. The Indian government is concerned by the probability that the Chinese Communists are giving assistance to the Communists in Nepal and the possibility that the Naga tribes have received arms from Communist China.

52. The Chinese Communists have continued to increase their military capabilities in the Taiwan Strait area, although Chinese

Communist propaganda speaks almost exclusively of the intention to "liberate" Taiwan by "peaceful" means. Peiping has adopted a "moderate" attitude toward the Nationalists, offering potential defectors positions in the Peiping regime corresponding to those of ex-Nationalist collaborators in Communist China. Peiping propaganda directed toward Taiwan attempts to create the impression that the US is an unreliable ally for the National government and that the latter will inevitably collapse. Despite Peiping's seemingly conciliatory attitude toward Taiwan, the Chinese Communists continue to reject categorically any suggestions for a compromise solution to the Taiwan problem involving "two Chinas"; they equally reject suggestions for a meaningful renunciation of force in the Taiwan area.

53. The attitude of Communist China toward the US continues to be one of hostility and mistrust and its policy is directed toward destroying the US position in the Far East. Peiping portrays the US as the chief threat to peace in Asia and the world and the source of most of the problems facing the countries of Asia. Nevertheless, the Chinese Communists have made some gestures to create the impression that current Communist "peace" tactics apply also to relations with the US. These gestures, however, appear to be directed not at improving relations with the US, but at undermining US policies and creating a belief, particularly in Asia, that a shift in the US attitude toward the Chinese Communists is imminent.

The Asian Impression of Communist China

54. The Chinese Communists have been able to create the impression in much of non-Communist Asia that Communist China is a dynamic, permanent, and perhaps not unfriendly world power, which will exert a major influence on the course of events in Asia. Many Asians are impressed by the effective control which the Chinese Communists exercise over the tremendous area and population of mainland China, by the sweeping socialization of the country, by the steady and substantial increases in military capability and industrial capacity, and by the growing ability of Communist China to trade with and to extend economic assistance to other countries.

55. These achievements are of particular significance to the people and leaders in many countries of non-Communist Asia because they too are seeking to make profound social and economic as well as political changes, and the Chinese Communist pattern appears in certain respects to offer a solution to many of their problems, which they are tempted to adopt. Many of the people and leaders in these countries are inclined to pay more attention to the apparent material progress in Communist China than to the methods by which it was attained.

56. Many Asians, in part because of their continuing distrust of Western intentions, have been impressed by Communist China's anticolonialist propaganda and do not believe that the Chinese Communists intend to extend their control throughout Asia. Their receptivity to this propaganda is encouraged by the tendency in Asia to equate capitalism and private enterprise with colonialism. There is also a tendency among many Asians to accept the Communist charges that the US program of developing military pacts and bases is a colonialist policy which threatens the independence of Asian countries and increases the danger of war.

57. Although Communist China has been able to exploit Asian distrust of Western intentions, there is also an undercurrent of apprehension regarding Communist China's real intentions. This apprehension has been caused by Communist China's role in international Communism, particularly its connections with the support of indigenous Communist movements in individual Asian countries, and by mistrust in many Asian countries of historical Chinese expansionism. Peiping's efforts to exploit the Overseas Chinese communities in most Southeast Asian countries have also created fears of its intentions, as have Communist China's activities in border areas, and its support of recent Soviet repression in Hungary.

58. Asians realize that Communist China is now the strongest Asian military power, and that they are dependent upon the US for defense against a possible Communist attack. Because of their dislike of such dependence and their concern as to the effectiveness of US action in their defense, many prominent Asians, especially in South and Southeast countries, have come to believe that they should show discretion in some form of neutralism or at least a willingness to be friendly and to reciprocate Chinese Communist overtures, and finally, that if a trend toward Communist success should develop, they should not be the last to attempt some form of political accommodation. Many Asian leaders seem to have confidence that, even though they increase their political and economic contacts with Communist China, they will be able to resist attempts to encroach upon their political independence. These factors exist to some extent even in many of the countries aligned with the US. At the same time, even in non-aligned neutralist countries there is a widespread, though seldom publicly voiced, recognition of the importance of the US in restraining Communist China from overt aggression.

IV. Probable Chinese Communist External Courses of Action

59. The Chinese Communists, in their approach to international problems, will probably endeavor to appear conciliatory and flexible, but joint Sino-Soviet policy will in fact permit no major concessions to the West on basic issues such as Taiwan or the status of North

Korea and North Vietnam. Communist China will continue to encourage the neutralist, anticolonialist, and nationalist sentiments in Asia and will continue its efforts to discredit US actions and motives and to seek a reduction in Western influence and military power in Asia. It will encourage wherever possible the formation of governments in which the Communist influence could be expanded. Communist China will almost certainly increase its official and unofficial contacts with the governments and people in non-Communist Asia, and will probably continue to increase trade with non-Communist countries, especially with Japan and other Asian countries. Peiping will also probably offer economic assistance to selected non-Communist countries and will propagandize the "nonpolitical" nature of such assistance. Peiping will continue its attempts to acquire influence over, and the support and allegiance of, the Chinese residing in non-Communist Asia. Peiping will continue to seek admission to the UN.

60. Despite a "soft" policy toward its Asian neighbors, Communist China will continue its subversive efforts, will probably apply pressure on a selective basis to remind the Asians of its power, and will take advantage of opportunities for Communist expansion, possibly including the extension of support to armed revolts against non-Communist governments. During the period of this estimate, Peiping will probably try to avoid courses of action which it believes would provoke US military intervention. However, the possibility cannot be excluded that the Chinese Communists will step up military action against the offshore islands, or will attempt to seize one of the smaller islands, to test US intentions and to increase external pressure on the US to bring about a Nationalist evacuation of these islands. If the Chinese Communists became convinced that the US would not assist in the defense of these islands with its own forces, they probably would attempt to seize them. Should the Communist regimes in North Vietnam or North Korea be subject to external attack the Chinese Communists would almost certainly give material support to the Communist regimes in these countries and would if necessary commit "volunteer" units to avoid a defeat. However, the Chinese Communists would probably seek to limit the area of conflict and to obtain a cease fire.

61. *The US.* Communist China recognizes that the US is the chief obstacle to its ambitions in Asia. Its efforts will almost certainly continue to be centered on neutralizing sources of US support, isolating the US from its allies, and, ultimately, destroying the US position in Asia. However, in its "peace" strategy, Peiping may make conciliatory gestures relating to peripheral questions in an effort to create the impression of reasonableness. Peiping will almost certainly continue to press for a meeting with the US at the foreign ministers' level, and

will exploit opportunities for other contacts that may present themselves.

62. *Taiwan.* Peiping remains determined to obtain control of Taiwan. However, the Peiping regime apparently recognizes that its military forces will not be able to seize Taiwan against US military opposition. In consequence, Peiping is attempting to reduce morale on Taiwan, in the hope that Nationalist leaders may ultimately be induced to negotiate with Peiping over Taiwan's assimilation into Communist China. A major objective in any conference with the US would be to induce the removal of US military protection from Taiwan. The Chinese Communists will continue to improve their military capabilities in the area opposite Taiwan and the offshore islands, but they will almost certainly not attempt to seize Taiwan by force so long as the US is committed to its defense. (See paragraph 60.)

63. *Korea.* The Chinese Communists, in common with the USSR, hope to secure a withdrawal of UN forces from Korea and eventually to eliminate the ROK. As a means of putting pressure on the US to withdraw its troops, there may be additional withdrawals of Chinese Communist forces, but they will almost certainly maintain adequate forces in Manchuria to permit immediate reintervention. The Communists will almost certainly refuse any settlement in Korea which endangers Communist control of North Korea.

64. *Japan.* Communist China in conjunction with the Soviet Union will continue to seek to neutralize Japan and prevent its re-emergence as a major military and political power in Asia. It will attempt to weaken Japan's links with the US by exploiting US-Japanese policy differences. The Chinese Communists will seek to increase the tolerance for Communism among the Socialists and other groups. They will probably also offer trade inducements, seeking both to increase Sino-Japanese trade and to induce Japan to break the CHINCOM embargoes. Communist China will also seek to increase significantly cultural and other semiofficial contacts with Japan, anticipating the establishment of formal diplomatic relations. These policies will contribute to the weakening of Japan's willingness to support US policy toward Communist China.

65. *Vietnam, Laos, and Cambodia.* Peiping will continue to support the Vietnamese Communists in their efforts to extend Communist control to South Vietnam and will probably act in concert with Hanoi to expand Communist influence in Cambodia and Laos. Through pressure, subversion, and overt propaganda the two Communist regimes will attempt to discredit and undermine the authority of the Diem government. The Chinese Communists probably will not encourage North Vietnam to initiate open hostilities against Diem, but might encourage Hanoi to initiate guerrilla activities. In the event

a weak government came to power in South Vietnam, Peiping might adopt a conciliatory approach in order to encourage a neutralist development. Toward Cambodia and Laos, the Chinese Communists will continue their gestures of friendship and goodwill and will probably not engage in overt hostile propaganda, at least so long as the authorities in these two governments reciprocate. Communist China will probably expand its relations with both countries and formal diplomatic relations are likely to be established.

66. *Pakistan, Thailand, and the Philippines.* Although Chinese Communist efforts have thus far concentrated on the uncommitted nations, the coming years are likely to see greater emphasis on the states allied with the West, including Pakistan, Thailand, and the Philippines as the Asian members of SEATO. Peiping will seek to exploit growing sentiment for trade with the mainland, will encourage "informal" contacts as an entering wedge, and will attempt to exacerbate political disputes within these countries over national policies concerning relations with the West.

67. *Indonesia.* The Chinese Communists probably estimate that the capabilities of the Indonesian Communist Party, the strongest indigenous Communist Party in non-Communist Asia, will continue to be maximized if they themselves maintain a friendly attitude toward the Indonesian government. The Chinese Communists will continue to give covert support to the Indonesian Communists.

68. *Malaya and Singapore.* Peiping will probably continue to encourage Malayan Communists to work for popular front governments, to extend control over Chinese youth and the labor movement, and, at the same time to maintain in being their guerrilla organization. Following the achievement of independence in Malaya (expected in August 1957) and self-government in Singapore, Peiping will seek to obtain recognition by these governments and will try to promote greater Chinese political influence in relation to the Malay population.

69. *India.* Although Communist China will seek eventually to supplant Indian influence in Asia, it will probably continue, at least for the next few years, to strengthen friendly relations with India and to encourage India's efforts to bolster a neutralist sentiment throughout Asia and the Middle East. But this general approach will probably not cause the Chinese Communists to cease their efforts to increase their influence in the Indo-Tibetan border area.

70. *Burma.* Peiping will continue its efforts to woo the Burmese government while at the same time encouraging the Communist elements in the country. Communist China will probably be willing to agree to a settlement of the boundary dispute on terms that appear conciliatory but is unlikely to cease its subversive activities among the ethnic minorities in the border region.

71. *Hong Kong and Macao.* Communist China is committed to the ultimate incorporation of Hong Kong and Macao in its territory although this has not been stated as explicitly as in the case of Taiwan. However, for the period of this estimate the Chinese Communists will probably not attempt to seize these colonies by force. Non-Communist Hong Kong and Macao have a certain utility to Peiping as points of contact with the West; furthermore, Peiping probably believes that an attack on Hong Kong at least would involve hostilities with the UK and possibly with the US as well. Nevertheless, during the period of this estimate, Communist China will attempt to exploit frictions which arise over Hong Kong and Macao. Peiping will almost certainly continue unabated its campaign through outright subversion and "peaceful penetration" to increase its political and economic influence in Hong Kong and Macao, to reduce the effectiveness of these areas as Western listening posts, and to undermine the resolve of the UK and Portugal to maintain their positions.

245. Editorial Note

From March 21 to 23, 1957, President Eisenhower and Secretary of State Dulles met with Prime Minister Macmillan and Foreign Secretary Lloyd at the Mid-Ocean Club in Bermuda. Their extensive discussions touched upon the question of China policy at several points. These discussions are scheduled for publication in the United Kingdom compilation in a forthcoming volume.

246. Memorandum From the Director of the Office of Chinese Affairs (McConaughy) to the Deputy Assistant Secretary of State for Far Eastern Affairs (Sebald) ¹

Washington, March 22, 1957.

SUBJECT

Summary of Embassy Taipei Despatch of Particular Interest: "Return to Mainland Thesis"

¹ Source: Department of State, CA Files: Lot 60 D 648, Chinese National Policy, 1957. Secret. Drafted in CA by Comiskey and Osborn.

In its despatch 382 of March 5, 1957,² Embassy Taipei notes that "return to the mainland" constitutes the ultimate aim and the *raison d'être* of the Chinese Government and that it is necessary to morale on Taiwan. The Embassy reports that although there have been frequent, recent utterances by GRC officials on this subject, President Chiang reassured the Ambassador in January that the GRC would not attempt a return without consulting the United States, but he stated he thought preparations should be made for a return. The Embassy believes the GRC has every intention at this time to honor its commitments to the U.S. but expresses the opinion there are certain factors which might alter the situation.

Factors which might impel early action: Internal

The leaders of the GRC are getting old and may feel that time is running out. President Chiang is in his seventieth year, and he aspires to a "place in history" which he cannot achieve except through return to the mainland. A further problem is the changing composition of the GRC army. Taiwanese recruits compose almost 30% of the army, and some GRC officials believe the attempt to return must be made before the 30% figure is reached. Thus, there are strong pressures on the GRC at high levels for doing something soon.

(The Embassy remarks parenthetically that there is the contrary possibility time may be working in favor of the GRC by preparing the conditions for revolt on the mainland.)

International factors

International factors which might impel the GRC to take a calculated risk or to make a desperate attack would be: admission of Peiping to the UN; rapprochement between Japan and Peiping; an incident in Korea which would stimulate GRC action; a real or feared shift in U.S. policy such as talks with Peiping at the highest levels; evidence of conditions on the mainland which might encourage an attempt to crack the bamboo curtain from outside.

Military factors

The GRC military forces will soon reach the point of maximum efficiency with present equipment. After that point is reached and passed, the Chinese Communists will tend to grow proportionately stronger in comparison. Their military build-up opposite Taiwan will not only make invasion of the mainland more difficult but will also pose an increasingly serious threat to the security of Taiwan. Thus, although by U.S. standards the GRC armed forces do not have sufficient power successfully to invade the mainland, they are better

² Not printed. (*Ibid.*, Central Files, 793.5/3-557)

equipped and trained than ever before; and in view of military considerations, as well as the GRC hope that there would be support from mainland dissidents, the Chinese might make an invasion attempt.

Situations which might stimulate GRC military action

The Embassy lists six situations which might stimulate or involve GRC military action: (1) an attack on Taiwan or Penghu; (2) an attack on Kinmen or Matsu; (3) outbreak of hostilities in Korea or Vietnam; (4) revolt on the mainland which would invite intervention; (5) GRC bombing of mainland airfields in self-defense or retaliation; (6) a deliberate GRC "desperation" assault on the mainland.

With respect to (1), our policy is clearly defined, and although not mentioned by the Embassy, we have carefully warned the GRC against provocative or unjustifiable action under (5). The Embassy suggests we might wish to re-examine or formulate policy with respect to courses (2), (3), (4), and (6). In the event of revolt on the mainland, for example, the GRC might consult with us regarding action in support of the rebellion. Should we oppose such action, the GRC could attack independently, make peace with Peiping, or abandon hope of return to the mainland. The last can be all but excluded; unlikely though it is that the GRC could come to terms with Peiping, it is more probable than the abandonment of return hopes. The most likely GRC course would be to attack independently. The Embassy states that in the event of a mainland revolt the factors which prevented our effective intervention in Hungary are generally lacking, and notes that failure to act in the Far East would have the most serious consequences for the position of the US and the free world.

Conclusions

In conclusion the Embassy notes:

1. The GRC has never abandoned hopes for return to the mainland.
2. The U.S. has never considered such a return by the GRC alone, using force, as feasible or practicable.
3. Nevertheless, events may stimulate a GRC attempt through the occurrence of favorable opportunities. The U.S. should examine the validity of its past attitude.
4. If we consider a GRC return might be feasible under certain circumstances, we should seek to learn of GRC plans for such an eventuality, thereby enhancing our ability to exercise control and to counsel against rash actions.
5. Plans should be prepared to meet a situation on the mainland similar to that which arose in Hungary last year.

Comment

One significant conclusion which can be drawn from this despatch is that very grave risks would attend any attempt to impose a "two-Chinas" solution on the GRC, or in any other way to make the GRC accept an indefinite future on Taiwan. According to the judgments expressed in this despatch, the GRC could be expected to launch an independent attack on the mainland, or even make its peace with Peiping, in preference to abandonment of its hopes of return to the mainland.

247. Memorandum of a Conversation, Department of State, Washington, March 27, 1957, 11 a.m.¹

Travel of Newsmen to Communist China

PRESENT

The Secretary
 The Under Secretary
 Mr. Phleger, L
 Mr. Robertson, FE
 Mr. Berding, P
 Mr. Sebald, FE (part time)
 Mr. Howe, S/S

The meeting was called by the Secretary to discuss the proposals on this subject set forth in his draft (draft No. 2, March 25, 1957²) which essentially set forth the idea of a procedure whereby "the Department would authorize the three wire services (AP, UP and INS) to send each one high-level correspondent to Communist China for a period not exceeding two months, and reports not to be filed until they came out."

In the course of the discussion the Secretary read hastily Mr. Sebald's memorandum to him of March 26³ reporting on his, Sebald's,

¹ Source: Department of State, Central Files, 911.6293/3-2857. Confidential. Prepared on March 28 by Howe.

² Not found in Department of State files.

³ In this memorandum, Sebald reported on his testimony on March 20 before the consultative subcommittee for the Far East of the Senate Foreign Relations Committee. The subcommittee was chaired by Senator William Fulbright, who had expressed a particular interest in a discussion of the Department's policy with respect to travel of newsmen to Communist China. Sebald noted that at the conclusion of his testimony, Senator Fulbright expressed the opinion that Sebald had made a "very good case" for the Department's policy. Other members of the subcommittee seemed to agree, and the suggestion was made that representatives of the Department, including the Secre-

recent Congressional testimony on the subject. The Secretary called in Mr. Sebald to inquire whether the approval which Mr. Sebald reported as coming from the committee was a reflection of the statements that the Department was considering revision of the policy or was on the argumentation in support of the existing policy. Mr. Sebald said that it could not be clearly distinguished.

Discussion emerged around the following questions:

1. Would any revision of our decision on newsmen be a significant factor in our overall China policy? The Secretary thought very firmly that it would not.
2. Would the Chinese Communists accept the proposal if it were made? The Secretary thought and the others largely agreed that the Chinese might well not accept the offer but that this would be beneficial to us.
3. Was there any way in which we could limit the subsequent travel of newsmen or others to China once this first experiment had been completed? There seemed to be agreement that such limiting would be quite difficult and that further difficult problems would be raised.
4. Did an attempt by the Department to select which correspondents would be permitted to travel put the Department in a difficult legal position? The Secretary recognized that our strongest legal position would be on a complete denial to all, and that any selection no matter how made tended to make it appear that the Department was deciding arbitrarily who would get passports.
5. Would we be able much longer to uphold the present ban? Discussion was inconclusive especially as it related to whether we should seek to uphold it even though progressively less able.

The relationship of the Worthy case to the travel of journalists was briefly discussed, notably that, although in fact different problems, to the public were directly related.

In the end the Secretary indicated that he thought our best course would be to reply to Mr. Starzel along the lines that he, Mr. Starzel, had argued the case for journalists as against other travelers; he did not indicate how one could select from among the journalists; and to invite Starzel's comments.

tary, should testify on the subject at the open hearings which the full Foreign Relations Committee planned to have in April. (Department of State, FE Files: Lot 59 D 19, American Travel to China 1957)

248. Special National Intelligence Estimate ¹

SNIE 43-57

*Washington, April 9, 1957.*LIKELIHOOD OF MILITARY ACTION BY THE GOVERNMENT
OF THE REPUBLIC OF CHINA ²

The Problem

To estimate the likelihood of military action by the Chinese Nationalists against the mainland in the next year or so.

Conclusion

1. We believe that the Chinese Nationalists are very unlikely to launch an invasion or, in the absence of Chinese Communist provocation, to initiate other major military action against the mainland in the next year or so. There may be some increase in small scale raiding operations, to prevent stabilization of the situation in the Taiwan Strait and to improve intelligence. Moreover, although we believe it to be unlikely, the possibility cannot be excluded that the Nationalists might attempt within the period of this estimate to embroil the US in major hostilities against the Chinese Communists by a "one-shot" military operation, short of invasion, but of a scale or nature calculated to cause substantial Chinese Communist retaliation. (*Paras. 8-10*)

Discussion

2. The Government of the Republic of China (GRC) has consistently maintained, since its withdrawal to Taiwan in 1949, that its primary objective is to regain control on the mainland and to eliminate the Chinese Communist regime. Military and political action

¹ Source: Department of State, INR-NIE Files. Secret. According to a note on the cover sheet, "The following intelligence organizations participated in the preparation of this estimate: The Central Intelligence Agency and the intelligence organizations of the Departments of State, the Army, the Navy, the Air Force, and the Joint Staff". All members of the Intelligence Advisory Committee concurred in this estimate on April 9, 1957, except for the Atomic Energy Commission representative and the Assistant Director, Federal Bureau of Investigation, who abstained because the subject was outside of their jurisdiction. A map showing the military balance in the Taiwan Strait area is not reproduced.

² The basic situation of the Government of the Republic of China is considered in NIE 43-56, "The Prospects of the Government of the Republic of China" (9 October 1956). This estimate remains generally valid and covers Chinese Nationalist military capabilities. [Footnote in the source text. For conclusions of NIE 43-56, see Document 213.]

and planning on Taiwan continue to reflect the primary concern of top Nationalist leaders with preparations for eventual return. Although there probably are a number of Nationalist officials who have little hope of a return to the mainland in the foreseeable future, the top leadership not only maintain this hope, but appear to believe that both their claim to be the government of China and their prospects for recovering the mainland will diminish with prolonged confinement to Taiwan.

3. There has been in recent months a new flurry of statements by top Nationalist leaders on the subject of return to the mainland, emphasizing the combat readiness of their armed forces. Although these statements have been more numerous and somewhat more definite in tone than in recent years, they probably have been inspired in part by a desire to refute Chinese Communist propaganda alleging "negotiations" with Nationalist leaders on the future of Taiwan. In addition, Nationalist leaders have indicated renewed interest in determining US views on joint military action and have also shown greater awareness of the need for determining the degree and extent of dissatisfaction on the mainland. The Chinese Nationalist armed forces have made plans for large scale operations, but such planning does not appear to go beyond normal staff activity, and there are no indications at this time of any actual preparations for large scale attack.

4. The following factors exist which might tempt the Nationalists to take action against the mainland over the next year or so:

a. The Nationalist leaders probably estimate that the rate of improvement in their armed forces will level off as the MAP program nears completion. Combat units presently have most of their weapons, and major shortages exist only in logistical support equipment. Furthermore, in the Nationalist view, the gradual influx of Taiwanese into the armed forces could over a period of time substantially reduce Nationalist capabilities against the mainland. Finally, the Nationalists probably estimate that the effectiveness of the Chinese Communist forces is increasing at a rapid rate as they acquire better weapons, improve their logistic capabilities, and increase their air and naval strength, and that the relative strength of the Nationalist forces is progressively declining.³

b. The Nationalists probably also estimate that there is widespread dissatisfaction with Communist rule among the Chinese people on the mainland, which has been intensified by the recent socialization drive and to some extent by developments in Eastern Europe.

c. Finally, the Nationalist leaders are concerned that increased pressure throughout the world for greater acceptance of Peiping may

³ The military capabilities of the Chinese Communists are considered in NIE 13-57, "Communist China Through 1961" (19 March 1957). [Footnote in the source text. For text of NIE 13-57, see Document 244.]

make the US unable or unwilling to prevent the seating of the Peiping regime in the United Nations, and may cause the US to support a stabilization of the situation on a "two Chinas" basis.

5. We estimate that by exercising their maximum capability and with an element of surprise the Chinese Nationalists could establish a beachhead on the China mainland, but without US assistance they could hold it for only a short time against determined Communist counteraction. We believe that the top Nationalist leaders probably make the same military estimate. We believe that under these circumstances they will not attempt an invasion unless they are sure that it will either (a) be accompanied by a large scale uprising of the Chinese people, including substantial defections from the Chinese Communist armed forces, or (b) have the active assistance and support of the US.

6. The Chinese Nationalists are not likely, within the next year or so, to consider either of these conditions satisfied. They are aware that dissatisfaction on the mainland is not organized and directed, and they probably estimate that an invasion attempt, during the period of this estimate, would not trigger mass uprisings and defections on a scale sufficient to be of significant assistance to them. Moreover, the Chinese Nationalists have almost certainly concluded that the US will not agree to a joint military operation against the mainland, at least under present conditions. We believe, therefore, that they are unlikely to make a formal request of the US for such a joint operation, or to take unilateral action in the hope or expectation of receiving direct US military support. Under the terms of the exchange of notes pursuant to the Mutual Defense Treaty of December 1954 the Government of the Republic of China is committed to "joint agreement" with the US with regard to the "use of force" from territory under its control except for "action of an emergency character which is clearly an exercise of the inherent right of self-defense." Nationalist leaders almost certainly believe that their best chance of eliciting US support would lie in making the hostilities appear to be Chinese Communist-initiated, and they are fully aware that preparations for a major assault could not be concealed from American eyes. Recently President Chiang again assured the US Ambassador in Taipei that his government would not attempt a return to the mainland without prior consultation with the US. The top Nationalist leaders, however, probably believe that any Chinese Communist threatening move, such as a movement of combat aircraft to the nearby coastal air fields, would justify counteraction within their emergency right of self-defense.

7. The possibility cannot be excluded that the Chinese Nationalists might attempt to invade the mainland as a matter of desperation,

if they felt that their position was deteriorating so greatly as to threaten their existence. However, we foresee no events likely to have this result within the period of this estimate; for example, even Japanese recognition of Communist China or the seating of Communist China in the UNGA, should either occur, would probably not drive the Chinese Nationalists to the point of desperation, provided the US continued to give firm support to the GRC.

8. Accordingly, we conclude that the Chinese Nationalists are very unlikely to launch an invasion, or, in the absence of Chinese Communist provocation, to initiate other major military action against the mainland in the next year or so. The chances of major Nationalist action would be increased if the Chinese Communists were to become involved in hostilities in Korea (with or without collusion between the GRC and the ROK) or in Vietnam. However, we believe that, unless such hostilities were accompanied by widespread uprisings on mainland China or the Chinese Nationalists were convinced that the US would support and assist them, the Nationalists probably would not even then undertake major action.

9. The Chinese Nationalists nevertheless possess the capability, and have indicated an intention, to increase the number of small raids and probing actions against the mainland. Such actions could be planned and launched without prior knowledge of American observers. Motivation for increasing such operations would be to prevent stabilization of the situation in the Taiwan Strait and to improve intelligence relating to the coastal areas of the mainland. We believe that over the next year, assuming the present degree of US controls, there may be some increase in small scale raiding operations for these purposes.

10. The Chinese Nationalists still believe that their best chance for a successful return to the mainland (short of an internal collapse of the Chinese Communist regime) lies in a war between the US and Communist China. We do not believe the Nationalists would consider that small scale operations would cause the Chinese Communists to hit back in such force as to invoke the GRC-US Defense Treaty, nor do we believe that the Nationalists would conduct any series of larger operations in the face of US disapproval. Although we believe it an unlikely course of action, the possibility cannot be excluded that the Nationalists might attempt within the period of this estimate to embroil the US in major hostilities against the Chinese Communists by a "one-shot" military operation, short of invasion, but of a scale or nature calculated to cause substantial Chinese Communist retaliation.

249. Memorandum From the Director of the Office of Chinese Affairs (McConaughy) to the Assistant Secretary of State for Far Eastern Affairs (Robertson) ¹

Washington, April 16, 1957.

SUBJECT

U.S. Policy Toward China.

In the attached despatch (Taipei 423 of March 28, 1957 ²) Ambassador Rankin develops the thesis that we should attempt to supply the "missing ingredient" in our China policy—grounds for GRC confidence in the future.

Noting that we have accomplished much through military and economic support, the Ambassador states that nevertheless the GRC leaders may doubt that time is on their side. In their minds, they see the possibility of: (1) a change in U.S. policy with a consequent shifting of responsibility for Taiwan to the UN which would undermine the GRC and make a Communist take-over inevitable; (2) expanding US contacts with Peiping eventually leading to GRC disintegration; (3) a deal between Tokyo and Peiping which the US could not prevent; (4) a war of attrition in the offshore-island area not of sufficient intensity to stimulate US intervention but ending with Communist air and sea control in the area; (5) full-scale war involving the US elsewhere and thereby exposing Taiwan to Communist conquest before effective US assistance could be sent; (6) large-scale nuclear war in Asia with Taiwan and Okinawa as priority targets. The only two possibilities offering the GRC hope are: (1) internal collapse on the mainland, permitting a GRC return or (2) aggression by Peiping in Asia which would secure US support for a GRC military return to the mainland. Unfortunately for GRC morale and confidence, the disastrous possibilities are more numerous and seem more likely to happen.

Under these circumstances, the GRC lacks confidence in the future and finds itself a "pawn" of external events. Although not desperate now, the GRC could become desperate, and it is in the US interest to prevent this.

Against this background, Ambassador Rankin makes the following recommendations:

1. We should initiate confidential military talks with the GRC on measures (such as a blockade action) to be taken on short notice in the event of a serious Communist attack on the offshore islands. There should also be talks regarding possible GRC military occupa-

¹ Source: Department of State, Central Files, 611.93/4-1657. Confidential. Drafted in CA by Comiskey.

² Not printed. (*Ibid.*, 793.5/3-2857)

tion of parts of the mainland or possible joint operations in response to some new Communist aggression.

2. In the economic field, the Chinese should be brought into long-range planning at the earliest possible stages. The passage of US legislation making possible longer term appropriations and planning would be especially helpful in this connection.

3. Statements by US officials on the liberation of captive peoples, reunification of divided countries, and similar matters should be related specifically to China.

Ambassador Rankin believes such measures will become increasingly necessary in future months to sustain confidence on Taiwan and in other threatened countries.

250. Letter From the Secretary of State to Arthur H. Sulzberger ¹

Washington, April 30, 1957.

DEAR ARTHUR: I have your letter of April 23.² I am convinced that our Far Eastern policies, of vital importance to the United States, would be gravely impaired if there were a general influx of Americans into Communist China at this time. There are many reasons for this, so many that when we sometimes refer to one reason and sometimes to another we are charged with being "inconsistent". I could list here, if time permitted, twenty reasons which are cumulative such as the non-recognition of the regime, so that we cannot issue a "passport" to it; the existence of a quasi-state of war and the continued application of the Trading with the Enemy Act; the illegal jailing of Americans already in China despite promises to let them out; the effect upon free countries of Asia of what the Chicoms would plausibly claim to be a resumption of "cultural exchanges" with Communist China; the increased prestige and influence of Communist China in the area that would be consequent, etc., etc.

¹ Source: Department of State, Central Files, 911.6293/4-2357. Drafted by Dulles and approved in FE by Robertson and in P by Assistant Secretary Andrew Berding.

² In his April 23 letter to Dulles, Sulzberger questioned the Department's restrictive policy on travel to China by newsmen and concluded:

"I understand the great difficulties in this matter and am reassured by your effort to find a fair formula. As things now stand, I cannot escape the feeling that the Administration is abridging the freedom of the press and using the press as an instrument in its diplomacy. I agree that other principles are involved, but in the long view this one seems to me to be fundamental." (*Ibid.*)

Suffice it to say that those of us who have responsibility in this matter have soberly and definitely come to the conclusion I expressed.

I have discussed this problem informally with a number of leaders in the newspaper field. One of them made the suggestion that the newsgathering fraternity might agree to some "pooling" arrangement as has sometimes been the case in the past. I felt that, if so, we might be able to accept that without the unacceptable consequences to which I allude. I emphasize the idea was not one that I originated or initiated; it was an idea brought to me by a responsible leader in the newspaper field. I am inclined to think that he and others who have examined this proposal now feel that it would be impractical to agree to bring about an acceptable limitation. But what concerns me is that the reasoning which leads responsible members of the newsgathering fraternity to conclude that they cannot draw lines as between themselves points up the difficulty of the Department's drawing lines as between "responsible" newsgatherers and what you call "frivolous journalistic adventurers". Also I see no valid distinction between newsgatherers and those members of other professions who claim a constitutional right to travel, once travel for a profession as a whole is allowed.

It did seem to me that since, as you say, it would be "necessary to guard against frivolous journalistic adventures by people more interested in visiting China than reporting what is going on there", and since the Department itself cannot well establish that guard and make the differentiations that would obviously be called for, the newspaper fraternity might do that themselves. Then they might arrive at a result which the Department could accept.

You suggest that our policy with respect to Americans going to China "abridges the freedom of the press". The constitutional "freedom of the press" relates to *publication*, and not to the gathering of news. There are, of course, many occasions and many areas where, for security or policy reasons, newspaper correspondents are excluded. Also you suggest that we are "using the press as an instrument of our diplomacy". But United States foreign policy inevitably involves the acceptance of certain restraints by the American people. If it were not so, foreign policy would be impotent. When young men are drafted and sent abroad, they are used as instruments of foreign policy. When business people are not allowed to trade with Communist China, they might equally argue that they are being used as instruments of our diplomacy. Foreign policy and diplomacy cannot succeed unless, in fact, it channels the activities of our people, and in this respect newspapermen have also their loyalty and patriotic duty.

I assume you are aware that the Chinese Communist regime is seeking to develop intercourse with us as an instrument of its diplomacy.

Sincerely yours,

John Foster Dulles

251. Telegram From Ambassador U. Alexis Johnson to the Department of State ¹

Geneva, May 15, 1957—1 p.m.

1166. One hour and forty minute meeting this morning. ²

I opened meeting with statement on implementation along lines para 1 and 2 Deptel 1181. ³ Wang replied along usual lines with detailed presentation case of Dr. Lin Lan Ying (spelling uncertain) who departed San Francisco *President Wilson* January 6, 1957. Was Sylvania Electric employee. Alleged great pressure by FBI and INS, including at stop in Honolulu, persuading her not to return. On departure San Francisco thorough search including body search and taking from her all notebooks and \$6,800 in travelers checks. Protested "rough handling" and asked for return personal property including notebooks and travelers checks.

Wang also made strong statement re stationing guided missiles Taiwan. ⁴ Spoke of guided missiles being atomic weapons. Statement

¹ Source: Department of State, Central Files, 611.93/5-1557. Confidential; Priority; Limit Distribution.

² This meeting, which had been scheduled for April 11, was postponed until May 15 at Chinese request. (Telegram 491 from Geneva, April 8; *ibid.*, 611.93/4-857)

³ Paragraphs 1 and 2 of guidance telegram 1181 to Geneva, May 11, read as follows:

"Concentrate on continued failure Chinese Communists implement Agreed Announcement. There is no justification whatsoever for Communists to continue hold eight Americans twenty months after they promised to take measures permit them expeditiously exercise right to return. So long as promised action not taken, result can only be to deepen distrust Peiping's pledges and render sterile present talks.

"As further instance Communist retrogression on implementation cite Communist abandonment any pretense considering humanitarian factor, as exemplified by continued imprisonment Father Wagner, who reported seriously ill." (*Ibid.*, 611.93/5-1157)

⁴ On May 6, the first of the Matador missiles scheduled to be deployed to Taiwan arrived at Hsinchu airfield, along with supporting equipment and an operating crew of 35 officers and men. Information on the deployment was released prematurely on May 6 by a Chinese Nationalist official in Canberra, and was confirmed by the Embassy in Taipei in a press release on the same day. (Telegram 842 to Taipei, May 6 and telegram 1104 from Taipei, May 7; *ibid.*, 711.56393/5-557 and 711.56393/5-757, respectively)

included "strong protest in name of his government" at this "act of aggression", "hostile act and another serious provocation" proving falsity US professions peaceful intent. "US must be held responsible for all consequences this act aggression". If US purpose is to achieve peaceful settlement good faith should be demonstrated by acts, etc. If US were not in military occupation of Taiwan reunion would have been realized long ago. China will never tolerate and certainly will liberate, etc. etc.

I replied along lines para 3 Deptel 1181 ⁵ and Deptel 1193 ⁶ including reaffirmation lawful administration Taiwan by GRC, mutual defense treaty with GRC and that those who had no aggressive intent had nothing to fear.

With respect Dr. Lin pointed out she had, in fact, returned in contrast the eight Americans still in Chinese prisons and those who would never return because of death under mistreatment. Cited fact she had not contacted Indian Embassy if, in fact, she felt she was being obstructed. Also strongly made point Agreed Announcement thus far no advantage but rather disadvantage to US.

Interesting to note that in today's meeting for first time Wang consistently used terminology "Geneva Agreement" in referring Agreed Announcement and to "Geneva Talks".

Next meeting July 11.

[Johnson]

⁵ Paragraph 3 of telegram 1181 to Geneva reads:

"If Wang attacks Matador deployment, review entirely defensive nature our collective security arrangements with RC and point out Matador being sent Taiwan by agreement with GRC as part these security arrangements. Defensive measures obviously required in situation where Communists continue pose threat of hostile action and continue reject meaningful renunciation of force."

⁶ Telegram 1193 to Geneva, May 14, provided supplementary guidance with regard to the deployment of Matador missiles to Taiwan:

"Public policy on Matador deployment to Taiwan has been to emphasize defensive nature of move and treat weapon on same basis as any other piece standard US Air Force equipment. You should take same line, emphasizing need for US defensive arrangements in Taiwan area, but avoiding discussion of propriety this particular weapon if Wang should attempt draw you into discussing this." (Department of State, Central Files, 611.93/5-1457)

252. Memorandum From the Director of the Office of Chinese Affairs (McConaughy) to the Assistant Secretary of State for Far Eastern Affairs (Robertson) ¹

Washington, May 24, 1957.

SUBJECT

Shooting of Chinese National by Master Sergeant Robert G. Reynolds of United States MAAG in Taipei and Subsequent Repercussions

On March 20, 1957, Robert G. Reynolds, an American Army Sergeant attached to the MAAG shot and fatally wounded a Chinese, who, the Sergeant alleged, was peeping at his wife in the bathroom and when confronted by Reynolds attempted to attack him, with the result that Reynolds shot him in self-defense. ² The deceased was a clerk at the KMT political school at Yang Ming Shan and left a young wife and an infant daughter. The United States military authorities issued a press release on March 21, stating the Chinese and United States authorities were investigating the case and would make a report.

The incident was picked up in the local English and vernacular press and led to much speculation. The general tone of the press was unfavorable to Reynolds; there were allegations that the killing was a deliberate grudge affair and that the deceased and Reynolds had engaged together in black-market operations. At that time the Embassy reported that "some difficulty" was expected over the fact that two shots were fired, the second occurring after Reynolds had followed the deceased some distance from his residence. The Embassy also reported that the Chinese Ministry of Foreign Affairs had expressed concern over the case and appeared to expect that Reynolds would be court martialed. The case was also picked up in Chinese Communist propaganda.

Press comment continued generally unfavorable to Reynolds but ceased at the end of March, perhaps on instruction from official quarters. In the meantime, investigations were carried out by our military officials and by the Chinese officials. Under the terms of the MAAG Agreement, Reynolds enjoyed immunity from Chinese jurisdiction, and the case was to be handled by Chief, MAAG, under the procedures of the United States Military Code.

¹ Source: Department of State, Central Files, 711.551-Reynolds, Robert G./5-2457. Drafted in CA by Comiskey.

² A full account of the shooting, prepared by American military investigators in Taipei, was conveyed in a letter of May 27 from General F.S. Bowen, Chief of MAAG, Taipei, to Admiral Felix B. Stump, Commander in Chief, Pacific. Bowen's letter was transmitted by Stump to the Department of State on May 28 in CINCPAC telegram 280730Z. (*Ibid.*, CA Files: Lot 60 D 648, 573 Riots)

On April 9, the Chinese Procurator's Office announced that its investigation had been completed and the results would be forwarded to the Embassy through the Foreign Ministry. The Embassy reported that this caused additional press interest mainly devoted to speculation as to how the United States military authorities would dispose of the case.

On April 16, the Embassy received the Procurator's report and the physical evidence. The report held that the killing "was done with malice and not in self-defense", a conclusion which the Embassy described as "unwarranted and gratuitous". The Embassy noted in this connection that some circumstances surrounding the shooting might require further explanation and that the United States investigation was to be completed on April 22.

Formal charges were preferred against Reynolds some time late in April and on May 7, MAAG announced that the Chief, MAAG, had approved the pre-trial investigator's recommendation that Sergeant Reynolds be tried by General Court Martial to "establish his guilt or innocence on the charge of unlawful and willful killing of a prowler in the vicinity of his home". The Embassy indicated that information from MAAG suggested Reynolds would be tried on charges of voluntary manslaughter, and said the trial would convene on May 15, if the defense was ready, or on May 20.

Reynolds was acquitted on May 23. This decision was received with great dissatisfaction by the Chinese, the vernacular press made inflammatory statements, and anti-American feeling and demonstrations built up, culminating in an attack against the American Embassy around noon on May 24. Demonstrators entered the Embassy, smashed furniture, wrecked the building, transportation and communications. As a result messages from Taiwan are now being received through Taiwan Defense Command facilities. The USIS office is also reported to have been wrecked. It is variously reported that from five to nine Americans, including Embassy personnel, have been injured, one seriously. (Press reports state this was Alexander Boase, press officer.³ We have no official reports yet identifying the injured.) Since the police were not able to handle the demonstrators, the Ministry of National Defense called in troops and the last message from the Commander, Taiwan Defense Command, sent at 5:45 p.m., local time, expressed the opinion that the situation was improving. Taiwan Defense Command was being protected by Chinese troops.

Of incidental interest was the Taiwan Defense Command comment that Bob Brown of the United Press "had done his share to stir things up". There was no further explanation.

³ Of the USIS.

Ambassador Rankin, who was in Hong Kong when the trouble started, returned to Taipei via CAT on the afternoon of May 24 and reported the Embassy was totally wrecked, all transportation was destroyed and communications were not functioning.⁴ We have no further details from the Embassy so far.⁵

⁴ See *infra*.

⁵ A full chronological account of the assault on the Embassy and the USIS office was transmitted to the Department by the Embassy in Taipei in telegram 1190, May 26. (Department of State, Central Files, 121.93/5-2657)

253. Telegram From the Ambassador in the Republic of China (Rankin) to the Department of State¹

Taipei, May 24, 1957.

Unnumbered. I returned from short trip to Hong Kong 5:30 this afternoon and after talking with Pilcher and Ingersoll on telephone from airport I went direct to Foreign Minister. I told him I must protest with strongest possible emphasis at day's events, particularly slowness of police in taking action. I said this was no time for weakness and Chinese could expect none from us. I demanded full compensation and adequate apologies.² I then asked Foreign Minister to accompany me to USIS and Embassy. Large crowds still at 7:30 p.m. gathered both places and by no means fully under control despite presence of numerous police. Foreign Minister's car in which we were riding was stoned as we approached Embassy. We got out and were greeted by applause from crowd being held back by police line, also by some stones some of which struck Foreign Minister. Minister and I walked through Embassy grounds. Chancery completely gutted and contents thrown in yard. Police would not allow us remain since crowd threatening. So no opportunity to inspect code room and safes but all presumably intact except bar lock cabinets. Foreign Minister informs me police arrested over thirty persons coming out of Embassy and fifteen at USIS. Minister told me five battalions of troops ar-

¹ Source: Department of State, Central Files, 121.93/5-2457. Niact. Repeated for information to CNO, CINCPAC, and CINCPACFLT.

² On May 25, in a note delivered to the Embassy in response to Rankin's protest, the Foreign Minister stated that his government accepted full responsibility for the losses sustained by the official American community in Taipei. He added: "On behalf of my government, I wish to express again my profound sense of regret for the incident for which I am under instructions to tender my government's sincere apologies". (Telegram 1173 from Taipei, May 26; *ibid.*, 121.93/5-2657)

iving in Taipei momentarily and martial law declared effective 9 o'clock tonight. (Chinese military informed Ingersoll "State of Emergency" effective 8 p.m.) No known loss American life but eight members Embassy staff slightly injured and Alexander C. Boase of USIS hospitalized but not in danger. Few injuries other Americans but apparently none serious and no casualties reported among Chinese staff of Embassy. Handful of police who came to Embassy were most helpful in getting Americans out to safety but failed exert themselves in restraining crowd. Various, if fragmentary, indications that riots were organized in advance to exploit emotional reaction inevitably following Reynolds case.

Rankin

254. Memorandum of a Telephone Conversation Between the President and the Secretary of State, Washington, May 24, 1957, 8:35 a.m.¹

Secy. Dulles. The incident in Formosa, following acquittal of the man involved in shooting. This morning our Embassy is completely wrecked, crowds are demonstrating in the streets against us. Perhaps he should be turned over to Japan as the Defense Dept. originally agreed to do.²

The President said actually this is not a case that should be turned over to Japan. It was only under protest that Defense instructed their people to turn him over.

Secy. Dulles said no—that there is a provision in the administrative agreement which says that if they cannot agree, and if each side claims jurisdiction, then at the request of the other, one will consider waiving jurisdiction in favor of the other.

The President said American forces will not let one of their people be tried in foreign court if they can help it. (We are up against the same thing here at home, too.) The rule has to do with people not on duty, but on leave or away from situation—same as other tourists. But regardless of the wording of the treaty, we are in trouble here.

¹ Source: Eisenhower Library, Whitman File, DDE Diaries. Prepared in the Office of the President. Another version of this telephone conversation, transcribed by Phyllis D. Bernau, is scheduled for inclusion in the Japan compilation in a forthcoming volume.

² References to Japan apparently relate to a similar status of forces problem in Japan growing out of the Girard case, documentation on which is scheduled for publication in the Japan compilation in a forthcoming volume.

Secy. Dulles feels that he and Defense should talk it over with the President. The situation is serious. These developments in Taipei are going to have a chain reaction also in Japan. The issues at stake are tremendous. The President is well aware of this, and said he is now afraid of our status of forces in Europe and everywhere else.

The President thinks our man in Taipei did not have much sense, chasing someone for a long time, then finally shooting. Dulles agreed, and said he does not understand how he got acquitted. He thinks probably the story told to the Congressmen was an inaccurate portrayal—the man was actually on duty.

The President thinks we must have a very serious look at these Asiatic countries, and decide whether we can stay there. It does not seem wise, if they hate us so much.

[Here follow notes on other telephone conversations involving the President on May 24.]

255. Memorandum of a Conversation, Department of State, Washington, May 24, 1957¹

SUBJECT

Anti-American Riot in Taipei

PARTICIPANTS:

Ambassador Hollington Tong, Chinese Ambassador

Mr. Robertson, Assistant Secretary, FE

Mr. McConaughy, Director, CA

Mr. Henderson, FE/P

Amb. Tong called at his own request at 11:30 AM. He said that he came on instructions of his Government to express its profound regret at the unfortunate incident which had just occurred in Taipei. The Chinese Government deplored the mob action which had resulted in damage to American Embassy property and injuries to employees of the American Government.

He said that the Chinese Vice Minister of Foreign Affairs had telephoned him twice on the matter, at 6:30 AM and 9:15 AM. He said he had been instructed to convey the regrets of the Chinese Government to the Department at the earliest possible moment. He had been given the text of the message he was to deliver by telephone. He said that he had had the message typed for the Depart-

¹ Source: Department of State, Central Files, 611.93/5-2457. Official Use Only. Drafted by McConaughy.

ment's convenience and would leave it with Mr. Robertson (copy attached ²).

The Ambassador said that he wanted to add his own personal assurances of regret and sorrow at the occurrence. It was most unfortunate and he deplored it very sincerely. He expressed the hope and belief that the situation had now been brought under control.

Mr. Robertson said the American Government was deeply disturbed and shocked at this destructive outbreak of mob violence. No one could tell yet how far-reaching the consequences would be but it was an exceedingly unfortunate business which was bound to have harmful repercussions. It could not have come at a worse time. Mr. Robertson read to the Ambassador excerpts from Ambassador Rankin's unnumbered and unclassified Niact telegram of May 24 ³ received at 10:52 AM. Mr. Robertson commented on the apparent negligence of the Chinese police in failing to control and disperse the mob when it became threatening. He noted that Amb. Rankin had already put on record the protest of the U.S. Government at the failure of the Chinese Government to extend protection, and that Amb. Rankin had reserved our right to full indemnification for losses sustained.

Mr. Robertson said he was aware that Amb. Tong deplored the occurrence and the unhappy consequences that could be anticipated, just as we did.

Mr. Robertson said that the Ambassador might encounter the press when he left the Department and might want to be prepared with some sort of a statement.

Amb. Tong said he would welcome an opportunity to express to the correspondents his deep regret and that of his Government, along with assurances that steps were being taken to meet the situation.

² The message, in which the Chinese Government expressed regret and offered assurances of compensation and future protection, is attached but not printed.

³ Document 253.

256. Telegram From the Army Attaché in the Republic of China (Barker) to the Department of the Army ¹

Taipei, May 25, 1957—6 a.m.

CX 59 (DA IN 23848). Nine Americans in Embassy injured but now in American hands and okay. Mob moved to USIS and wrecked that after gaining strength. During this police from adjacent Taipei Police Bureau Headquarters attempted arrest 3 students and mob then attacked and set fire to their building bringing police fire which killed 6 rioters. Mob paraded corpses for some time. Meanwhile they set fire to what remained of Embassy. Fires soon extinguished and battalion troops now entrenched there. Small detachments in position guarding various US installations. MND has placed III Corps under control Taipei garrison command, total of 3 and ½ divisions reported in city with 2 deployed as of 250030I. Troops are given authorization to fire on rioters at 250020I "unproclaimed curfew" now in effect and planned set up road blocks throughout city. Military to take over completely from police tonight by 250200I. City now appears quiet.

Comment: Partly because of lack of timely action on part of officials to issue necessary orders and provide reinforcements police proved completely incapable controlling riot. Initial restrictions on use of arms by military forces made them impotent and mere spectators until authorized to use weapons.

Following not guilty finding Reynolds court martial widow of victim began hunger strike at American Embassy morning 24 May. Curious crowds gathered at first orderly but about 241330I mob of 200-300 with several hundred spectators made complete shambles of Embassy. Some reports to effect police tried to cope with mob but were present in only small numbers and under orders protect life but not property and not to fire on crowds their appeals for reinforcements ignored. Other reports stated police initially in sympathy with rioters.

Comment: 24 May local press inflammatory on subject court martial verdict and several public officials made irresponsible statements. Many of rioters were students and 3 schools have been spotted as possible sources trouble. Some evidence that whole thing well planned in advance. ² Total of 150 arrests made so far. When asked

¹ Source: Department of State, FE/EA Files: Lot 66 D 225, Riots in Taipei—Course of Events. Confidential; Operational Immediate. Sent to the Chief of Staff of the Army for the Assistant Chief of Staff for Intelligence, with instructions to pass to the Departments of Navy and Air Force. Repeated for information to CGUSARPAC Ft Shafter TH, CGAFFE/ARMYEIGHT (REAR) CP Zama Japan, USARMA Tokyo Japan, USARMLO Hong Kong, COMTAIWANDEFCON (US) Taipei Taiwan.

² Admiral Stuart H. Ingersoll, Commander of the Taiwan Defense Command, also felt that the "verdict in Reynolds case is nothing more than an excuse to execute a

during worst phase why positive action not being taken to stop riot reliable official source stated that "We must only take action we can explain to our people."

plan already formulated". (Navy telegram 0241356Z to the Department of State, May 24; *ibid.*, Central Files, 793.00/5-2457)

257. Paper Prepared by the Counselor of Embassy in the Republic of China (Pilcher) ¹

Taipei, May 25, 1957.

Statement by James B. Pilcher Regarding His Visits to the Foreign Office on May 24, 1957 in Connection with the Reynolds Case and Mob Action at the Embassy.

The Embassy had been confidentially informed on May 23, 1957 that on May 24, 1957 the Chinese Military would conduct three surprise air raid exercises in which paratroops would be dropped and street traffic stopped. To avoid the first exercise I arrived at the Embassy before 7:00 a.m.

Shortly after 9:00 a.m. the Chief of Protocol informed me that the Foreign Minister wished to see me at 10:30 a.m. I told Mr. Wang that I would be in an important meeting at TDC at that time but that I would come immediately or as soon after eleven o'clock as possible. He called me back a few minutes later and requested that I come immediately.

Before leaving the Embassy I called a four o'clock meeting of representatives of several U.S. agencies to discuss the developments in the Reynolds case and the U.S. Government's position.

Upon arrival the Minister stated that he wished to discuss the verdict in the Reynolds case and the Chinese public resentment towards it. He inquired whether and under what circumstance there could be a retrial of the case. I replied that I had to plead ignorant of the juridical procedures under our Unified Code of Justice but that I would look into the matter and report to him later in the day.

I went directly from the Foreign Office to TDC where I arrived at 10:00 a.m. for a joint conference with Mr. Frank Nash, Consultant to the President, and his group. I remained in this meeting until

¹ Source: Department of State, FE/EA Files: Lot 66 D 225, Riots in Taipei—Course of Events. Official Use Only. Pilcher had been Chargé in Ambassador Rankin's absence at the time of the riots.

almost a quarter to one o'clock. Before the meeting adjourned I was called to the phone a couple of times. Mr. Meyer, the Political Counselor told me that widow of the Chinese Sgt. Reynolds shot was outside the Embassy gate, and crowds were beginning to gather.

I went to the Grand Hotel with a part of the Nash group for a brief lunch and immediately upon arrival put in a call to the Foreign Minister, who was out for lunch. Before I had finished lunch Mr. Prescott, Second Secretary in the Political Section, came to the hotel, and reported that the situation at the Embassy was getting worse. I excused myself from lunch, and proceeded to the Foreign Office, stopping for a few moments en route at my residence, where two or three Embassy officers had gathered.

I arrived at the Foreign Office a little before or around 2:00 p.m. and went directly to the Minister's office where I requested to see the Minister immediately. Mr. Hsu Shao-Chang, Director of the Department of American Affairs, was called and invited me into the Foreign Minister's private office. I remained there for almost four hours.

I was told the Minister would be over immediately but before he arrived Vice Minister Chou joined Mr. Hsu and me. I told them that I demanded full and adequate protection to American lives and property in Taipei. I told them the situation at the Embassy was getting out of hand and overstepped the bounds of propriety by suggesting the use of fire hoses and tear gas. I told them the police protection there was inadequate.

The Minister arrived around two fifteen. There were no niceties. I rose and stated this visit grieved me and that the U.S. Government demanded immediate assistance at the Embassy. By that time Embassy officers had learned I was at the Foreign Office and began to report to me, there in the Minister's office, the terrible developments. I pleaded that the situation was desperate and that we had to have help immediately. The Minister said he saw no way out but to call out the troops. This decision was reached after a few minutes. I replied that we wanted whatever was required to protect American lives and property.

The Minister began to put in phone calls. He called General Peng,² Admiral Ma,³ and others. Reports to me by phone were more frequent. In fact I supplied the Foreign Office most of its intelligence information on the situation at the Embassy for four hours. I told the Minister that the mob was in the Embassy destroying it, and that some American officers and clerks were trapped in the air-raid shelter and that I was afraid the building would be set on fire and

² General Peng Meng-chi, Chief of the General Staff.

³ Admiral Ma Chi-chuang, Deputy Minister of the Ministry of National Defense.

the shelter become a crematorium. I asked that fire trucks be sent. This was checked by Mr. Hsu who reported they were already there. At this point I began to relay names of our staff at the Embassy.

The Minister stated that he had to go to the Legislature to a committee hearing on the Reynolds case. He invited me to remain until his return.

I remained in the Foreign Minister's office with the Vice Minister and Mr. Hsu both of whom came and went. I received more reports on the Minister's phones. Probably few *Chargés* have usurped a Foreign Minister's office for so long.

The Minister returned within about an hour. I reported to him that Sgt. Reynolds and family had left Taiwan at 1:30 p.m. I gave him the names of the persons in the air-raid shelter and of those for whom we could not account. The Minister made many telephone calls and spoke the names in English I had given him. He sent Foreign Office personnel to the scene and to the Taiwan Provincial Government hospital from where one of our officers had phoned me. The officer was with the group who escaped from the air-raid shelter. All could not be accounted for.

My residence, and until 5 p.m., the USIS office were used as clearing houses for information and reports relayed to me as received.

The Minister took a personal interest in accounting for individuals and was particularly concerned about the Political Counselor. We then learned of the attack on the USIS building.

By six o'clock we had accounted for all who were thought to have been in the Embassy at the lunch hour. (Messrs. Bonner and O'Grady⁴ returned from lunch and were hidden by police in an Embassy garage. It was some time later before they were accounted for.)

At various times during the four-hour period I discussed with the Minister, the Vice Minister and Mr. Hsu Chinese responsibility for this outrage. I told them the hundreds of thousands of U.S. dollars damage was insignificant to the damage to US/GRC relations and the prestige to GRC in the Free World. They were obviously embarrassed and well aware of the consequences.

About six o'clock I expressed a desire to return to my residence. The Minister said my car had been placed in the Foreign Office garage as crowds were out in front. The Minister escorted me to the front door, my car was brought, and a police escort was ready. He asked me to return to the building. My car was put back in the garage. I was escorted out the back door and was taken to my residence in a closed jeep.

Shortly after I arrived home, where I found several Embassy staff members, the Ambassador called from the airport. I relayed

⁴ Henry S. Bonner, political officer, and Gerald D. O'Grady, Jr., attaché.

briefly some of the developments. He had already learned much from the U.S. Naval Attaché who was at the airport to meet the new Naval Attaché. The Ambassador stated that he was going directly to the Foreign Office. From that point on the situation was in his hands.

James B. Pilcher

258. Memorandum From the Director of the Office of Chinese Affairs (McConaughy) to the Assistant Secretary of State for Far Eastern Affairs (Robertson) ¹

Washington, May 26, 1957.

SUBJECT

Mob Attack on U.S. Embassy and USIS in Taipei: Tentative General Conclusions.

Based on preliminary and as yet incomplete information, we have reached the following tentative conclusions about the mob attack of May 24 on the U.S. Embassy and USIS in Taipei:

1. The riots showed evidences of prior planning. Although the crowds were large, the actual damage seems for the most part to have been done by small groups of rioters who acted as if in accordance with a pre-arranged plan. These had prepared themselves with slogans which were mounted on the Embassy premises. The entire incident began with the appearance of the widow of Liu Tzu-jan (wife of the man Sergeant Reynolds killed) in front of the Embassy with a placard written in both English and Chinese. Also in the attack on the USIS building, the riot was led by a small group of students who apparently were responsible for most of the damage done. While the destruction was deliberate and premeditated, there is as of now no definite evidence of an intent to exploit it for intelligence purposes, although some of the classified documents from the safes which were broken open may have been picked up and retained by unauthorized persons.

2. There are some indications that the law enforcement authorities were either grossly negligent and inefficient or acted in collusion with the rioters. Although there were many police in the neighborhood of the Embassy at the time the attack took place, they failed to take effective action to control the riot. The riot was allowed to run its course before being finally brought under control that evening by troops. Furthermore, while taking no effective action to protect American property, the police did seem most anxious that no serious bodily harm should be done the persons of Americans. Another indi-

¹ Source: Department of State, Central Files, 793.00/5-2657. Confidential. Drafted in CA by McConaughy and Bennett.

cation of collusion or gross inefficiency is the fact that although the Embassy appealed for greater police protection as soon as the situation seemed threatening, and although the Chargé spent most of the afternoon at the Foreign Ministry seeking protection for the Embassy, nothing effective was done by the Chinese authorities until that evening, many hours after the riots had taken a serious turn.

3. It is too early as yet to hazard an opinion as to possible motives for staging such an incident. The Embassy in Taipei has been asked for a full report and evaluation.² When that is received, it should be possible to make a judgment on this matter. However, of the various possibilities that suggest themselves, that of Communist inspiration seems the least likely. So far no suggestion has been made—even by Chinese sources—that the Communists may have been behind the affair.

Regardless of the eventual judgment, it is a shock to us that an anti-American manifestation of such magnitude and violence should come to pass in Taipei. It was not fore-shadowed in any report we have seen from any of the numerous U.S. Government reporting agencies on Taiwan.

It is disappointing that the Chinese Government met the challenge with relative passivity, and that no public expression of regret has come from a source higher than the Foreign Minister.

² See *infra*.

259. Telegram From the Ambassador in the Republic of China (Rankin) to the Department of State¹

Taipei, May 26, 1957—6:53 p.m.

1191. Department's 892.² Separate telegram³ gives chronological review of May 24 riot at Embassy and USIS as well as details can be established at present. Basic causes are summarized following paragraphs, but more immediate explanations must await further investigation and establishment of facts. I am placing on Chinese au-

¹ Source: Department of State, Central Files, 121.93/5-2657. Confidential. Repeated for information to Tokyo, Manila, the Departments of the Army and Air Force, and CINCPAC.

² Telegram 892 to Taipei, May 24, summarized the conversation between Assistant Secretary Robertson and Ambassador Tong on May 24; see Document 255. Telegram 892 concluded with an instruction to the Embassy to provide an "estimate basic causes this unexpected violence and full report actions and attitude Chinese Government officials in situation". (Department of State, Central Files, 121.93/5-2457)

³ See footnote 5, Document 252.

thorities burden of proof that there was adequate excuse for leaving Embassy in hands of unarmed mob for period of several hours.

Anti-Americanism. As such, apparently remains relatively insignificant, but as elsewhere in Asia there is always undercurrent of distrust and dislike of Western influences. (Even hated Communism was importation from Europe.) Whether directed at colonial powers or white race in general, open manifestations usually are directed against Western group most in evidence. Nearly 11,000 Americans are on Taiwan most of whom ride about in new cars, enjoy various special privileges and living standards which seem very high to Chinese. These Americans occupy themselves with almost every phase of Chinese life on scale scarcely less extensive than colonial powers in their colonies. (There are said to be many more American civilian officials on Taiwan today, for example, than in Philippines when it was US possession.) Working and personal relationships have been surprisingly good, but latent resentment at above circumstances doubtless responsible in part for events of May 24.

Another anti-Western aspect is that present GRC Cabinet largely made up of Western-educated Chinese who are ipso facto regarded with suspicion by many if not most of old school. Premier, Foreign Minister and Economic Minister in particular under fire recently, ostensibly for their support of US and other foreign interests. Reynolds case offered exceptional opportunity to discredit them and prepare way for cabinet along more traditional lines, possibly including old time military figures.

Frustration. Whether expressed in terms of morale, confidence or otherwise, people of Free China are uncertain of their future and suffer from "pawn complex" lest their eventual fate be decided by others, perhaps behind their backs. Sense of frustration would explain in part outbursts in which they demonstrate their independence, temporarily at least, and their dissatisfaction with things as they are.

Status of Forces. Prolonged delay in concluding US-GRC Status of Forces agreement, together with extensive press coverage of Girard case in Japan have contributed to public awareness here that US forces in Free China at present enjoy diplomatic immunity of unusual character. Particularly unfortunate but unavoidable that Reynolds case, first such US court martial in Taiwan, should have come up just now.

Nationalism. Victim of shooting, Liu, was connected official Institute of Revolutionary Practice, albeit in minor capacity. Purpose this institution is to develop national or "revolutionary" spirit which is praiseworthy to a degree but can lead some people to excesses in crisis. Fact that this institution receives no direct benefit from US aid programs and presumably considers US policy toward China as woe-

fully inadequate could be expected to reinforce resentment over present case. No reliable evidence produced as yet but certain members this institution may have made preparations in advance to exploit verdict of court martial. Some preliminary work apparently done also among youth corps (again strongly nationalist) students of middle schools who swelled numbers of mob at early stage. When mob found police few in numbers and apparently instructed not to fire, situation was exploited but seemingly with care that no Americans too seriously injured. Perhaps promoters of demonstration did not foresee its eventual scope; it simply got out of hand. Police reportedly had instructions protect life (US and Chinese) rather than US property.

Indecision. Absence of serious public disturbances past several years, and anxiety that February 1947 episode⁴ should not be repeated, offer only legitimate, if entirely inadequate, explanation for not using larger police force initially (apparently never more than about 20 in Embassy compound during actual rioting), for reported instructions that police must avoid use of arms, and for delay in [of?] several hours in ordering out troops.

Tentative conclusion is that taking advantage of differences in US-Chinese legal conceptions, and in anticipation of not guilty verdict, certain persons with some influence and connections prepared for demonstration at Embassy. Situation developed in manner to encourage exploitation, for which they had also prepared. To this extent it was professional affair although no evidence so far that looting Embassy for classified material or valuables was part of plan. After Embassy was thoroughly wrecked, large part of mob went on to repeat process at USIS, then turned attention to nearest MAAG ("sugar") building which was saved only by arrival of rifle company from Chinese Army. Order restored everywhere around 9 in evening by which time large numbers troops patrolling streets.

I am seeing President Chiang at 5 pm today.

Rankin

⁴ Apparent reference to the riots which took place in Taiwan in February–March 1947. For documentation, see *Foreign Relations*, 1947, vol. vii, pp. 423–455.

260. Memorandum of a Conversation, Taipei, May 27, 1957 ¹

PARTICIPANTS

President Chiang Kai-shek
Madame Chiang
Vice (Foreign) Minister Shen Chang-huan
President's English Secretary James Shen
Ambassador K.L. Rankin

SUBJECT

Rioting at American Embassy, May 24, 1957.

Yesterday afternoon at five o'clock I called on President Chiang, by appointment, at his Shih-lin Residence. Madame Chiang and Vice Minister Shen were present but took no part in the conversation except to elaborate on two or three matters of translation. The President's English Secretary, Shen, acted as interpreter, and the conversation lasted one hour.

After the usual exchange of courtesies and inquiries about health, the President said that he felt great embarrassment and deep regret at last Friday's (May 24) events. He had been taken completely by surprise, and he was sorry not to have been in Taipei to take action. (He and Madame Chiang had just returned from three weeks at Sun-Moon Lake.) President Chiang stated that a full investigation was under way, that I would receive a copy of the findings, and that the guilty persons would be punished. He remarked that the authorities responsible for law and order had been negligent, but added that the riot apparently was spontaneous. He hoped that Chinese-American relations would continue as friendly and close as before.

I replied that the Chinese had far better means of investigation than we, but that reports coming to me indicated a combination of spontaneity and planning. Initially the crowd at the Embassy seems to have been made up largely of middle school students. They probably intended nothing more than a peaceful demonstration. Subsequently older people, including a number of apparent organizers, went among the crowd and incited them to attack the Embassy. Reports reached me that NT\$10 notes were distributed to some of the crowd to encourage them to attack.

The President said he had been told that an American press correspondent was in the crowd inciting them. I replied that I had heard the same story and would appreciate any details which the Chinese could give me. (This refers to Robert Brown, local United Press representative).

¹ Source: Department of State, Rankin Files: Lot 66 D 84. Confidential. Drafted by Rankin.

I then gave President Chiang a chronological review of Friday's events as they had been reported to me, covering substantially the same details given in the Embassy's telegram 1190 of May 26.² I added that I must leave it to the Chinese Government to explain why our Embassy had been left in the hands of an unarmed mob for several hours despite the large police and army resources available in the Taipei area. One possible conclusion was that the organizers of the attack had sufficient influence to prevent effective action by the police.

President Chiang assured me that this last conclusion was unfounded. Rather, there had been a failure by certain officials to accept responsibility for taking action. He added that this was an old problem, going back to Mainland days, when there was always hesitation in dealing with riots.

I replied that Americans had gained the impression that both police and troops behaved well, but that they were restrained from taking timely and effective action by orders from higher authority.

As to the Reynolds case, I told the President of the extraordinary care which General Bowen had exerted in arranging for the court martial. He fully appreciated the significance of the case and obtained legal assistance from Okinawa and Hawaii. Preparations were discussed with the Chinese military, foreign affairs, judicial and public relations authorities. The consensus of opinion was that an open court-martial should be held here in Taipei with press representatives present. While the trial was entirely in American military hands, and I was not present, I had been assured that it was well and fairly conducted. Moreover, I had read all of the results of the preliminary investigations and had concluded privately that the court could not do other than acquit Reynolds.

The President complained that he had not been consulted in the matter. Showing more agitation than at any other time during the interview, he said that an American court martial should not be held on Chinese soil; that it reminded everyone of extraterritoriality.

I replied that perhaps the President was right, but that no one else had expressed such an opinion to me. I was glad to have his views for future reference.

In conclusion, I urged that the President and his associates should give their best thoughts to early steps calculated to remedy the bad impression created by last Friday's events. I did not presume to say what these steps should be, but might mention certain actions which would not be adequate: sacking the Chief of Police or transferring some general.

² See footnote 5, Document 252.

President Chiang asked me to convey to President Eisenhower and Secretary Dulles his profound regret and his assurance that the events of May 24 do not reflect anti-Americanism in Free China, but simply resentment at the verdict of a court martial. I said that I would do so, and asked if I might quote this message at a press conference which I would hold an hour later. The President agreed.³

Note: The present memorandum was prepared with many unavoidable interruptions. It is therefore not precise as to wording or sequence, but is believed to give a faithful account of the substance of the conversation.

³ A summary of this conversation was transmitted to the Department in telegram 1196 from Taipei, May 26. (Department of State, Central Files, 121.93/5-2657)

261. Memorandum of Discussion at the 325th Meeting of the National Security Council, Washington, May 27, 1957¹

Present at the 325th NSC meeting were the President of the United States, presiding; the Vice President of the United States; the Secretary of State; the Secretary of Defense; and the Director, Office of Defense Mobilization. Also present were the Secretary of the Treasury; the Attorney General; the Director, Bureau of the Budget; the Chairman, Atomic Energy Commission; the Federal Civil Defense Administrator; the Director, U.S. Information Agency; the Director, International Cooperation Administration; the Chairman, Council on Foreign Economic Policy; the Chairman, Council of Economic Advisers; Assistant Secretary of State Bowie; Assistant Secretary of Defense Sprague; Mr. Robert Amory, Jr., Central Intelligence Agency (for Item 1); the Deputy Secretary of Defense; the Secretaries of the Army, the Navy and the Air Force; the Chairman, Joint Chiefs of Staff; the Chief of Staff, U.S. Army; the Chief of Naval Operations; the Chief of Staff, U.S. Air Force; the Commandant, U.S. Marine Corps; the Director of Central Intelligence; the Assistant to the President; the Deputy Assistant to the President; Special Assistants to the President Cutler and Dearborn; the White House Staff Secretary; the Executive Secretary, NSC; and the Deputy Executive Secretary, NSC.

There follows a summary of the discussion at the meeting and the main points taken.

¹ Source: Eisenhower Library, Whitman File, NSC Records. Top Secret; Eyes Only. Drafted by Gleason on May 28.

1. Significant World Developments Affecting U.S. Security

[Here follows a briefing by the Director of Central Intelligence on developments in Haiti.]

Mr. Dulles then summarized what had happened in Taipei, on the basis of intelligence received in Washington over the weekend. He noted that the Chinese press in Taiwan had called for the punishment of Sgt. Reynolds ever since his acquittal, and had become increasingly inflammatory in tone. Mr. Dulles pointed out that the uprising in Taipei had been very carefully planned from the beginning, and that the widow had had some official backing. The actions of the government authorities to maintain order in the early stages, were not very clear and certainly not very active. There were very few police at any time in the grounds of the American Embassy, and thus little protection until 7:00 p.m., when Chinese Nationalist troops began to move in. Some U. S. classified material has been compromised, although the safe containing Top Secret material is intact. Among the documents lost was the emergency plan for the evacuation of Taiwan in certain contingencies.

The acquittal verdict of the court martial had touched Chinese National feeling at a very tender spot—namely, hatred of extraterritoriality. It seemed probable that the government had permitted the demonstration to begin as a means of applying a little pressure on the United States. Thereafter the matter got out of hand.

Secretary Dulles intervened to point out that we were even now negotiating a status-of-forces agreement with the Chinese National Government.

Mr. Allen Dulles went on to say that it was not yet clear whether or not the Communists had had a hand in starting the uprising. Certainly as yet there was no clear evidence of Communist participation. Mr. Dulles said he was also inclined to doubt the validity of the charge that the Generalissimo's son had started the uprising, though this charge had been made by a high Kuomintang official. Nevertheless, certain reports stated that some Chinese Nationalist officers had viewed the whole sequence of events with satisfaction, and that the affair had been planned this way. Meanwhile, Communist propaganda from mainland China has been having a field day, as has Moscow, which is studiously following Peiping's line.

Mr. Dulles concluded by stating that some considerable interval would be required before a sound analysis of these happenings could be provided. Meanwhile, he still doubted the existence of a strong and deep anti-American feeling in Formosa, or very deep Communist penetration in the island. We should know better what had happened, and why, in two or three weeks' time.

The National Security Council: ²

Noted and discussed an oral briefing by the Director of Central Intelligence on the subject, with specific reference to the character of the present government in Haiti under Provisional President Fignole; and the anti-American outbreak in Taipei.

[Here follows discussion of item 2, "Basic National Security Policy".]

S. Everett Gleason

² The following paragraph constitutes NSC Action No. 1727, the record copy of which is in Department of State, S/S-NSC (Miscellaneous) Files: Lot 66 D 95.

262. Letter From the Ambassador in the Republic of China (Rankin) to the President's Special Consultant (Nash) ¹

Taipei, June 17, 1957.

DEAR FRANK: Thank you for your letter of June 1. ² I share your feeling that it was much better for you and your party to have left Taipei when you did, thereby missing the excitement on the afternoon of May 24. I first learned of the riot after my return to Taipei, where I had hoped to find you at the airport. As you know, the military plane which was to have brought me earlier turned back on account of weather, and my proposal to fly direct to Manila was given up in the absence of a reply to the telegram I sent to you early on May 24. ²

Apparently you are seeing our current telegrams and despatches, so I shall try not to repeat their contents here. But since you ask for an opinion on the long term outlook I shall venture a few observations.

As you know, of course, we have no military bases in Free China. The only United States tactical forces stationed here at the present time are a Matador unit and a fighter-bomber squadron, consisting of a few hundred men altogether. We have hoped to avoid any need for American ground forces on Taiwan, or for anything that could be called a "base", except perhaps in the event of a large scale war in this area which directly involved the United States. Oth-

¹ Source: Department of State, FE Files: Lot 59 D 19, Nationalist China 1957. Confidential; Official-Informal.

² Not found in Department of State files.

erwise, the plan is to use Chinese facilities, which we have helped to develop under our mutual defense assistance program and which are available to us under the broad terms of our bilateral treaty, for any American tactical units which circumstances may require to be stationed here from time to time. So far this plan has worked well, rather better than in many countries where we have actual bases. Its success obviously is contingent upon good relations with the local government and people. But the value of a formal military base in a foreign country, no matter what the treaty provisions may be, is scarcely less dependent upon local relationships.

While our tactical forces in Free China are small, the remainder of the official American family here is substantial, totaling over 8000 including dependents. These belong to a variety of agencies, largely military. All American military personnel now stationed in Free China, as you may recall, enjoy the provisions of the 1951 "MAAG Agreement" which gives them diplomatic privileges and immunities. The originally approved strength of our MAAG was less than 800. No dependents came with them. Now we have about 4000 military personnel, plus a similar number of dependents. Obviously the situation is quite different from that foreseen when the MAAG was set up six years ago. And among the 75 percent or so who are not in tactical units today, Parkinson's Law is in full operation. The same is true among United States civilian officials here, of course, although their number is measured in hundreds rather than thousands. (Combat forces, stationed abroad presumably obey some other "law", but they are a secondary factor on Taiwan in any case.)

Our negotiations during past months for a status of forces agreement with China have established a substantial identity of views on virtually all points except that of criminal jurisdiction. The recent Reynolds' case, and the ensuing riot on May 24, obviously have contributed nothing toward the resolution of these differences, but perhaps they have cleared the air. One of my tentative and reluctant conclusions is that an American serviceman could not be assured of a fair trial in a Chinese court. The argument can be advanced that, on the average, Chinese courts would be more lenient than American. But we do not regard one of our fellow citizens, whatever his rank, as a mere statistic. The idea is repugnant to us that even one innocent man should suffer at the hands of any court of law. If we could be sure in advance that a man was guilty as charged, and that a Chinese court would punish him no more severely than an American court, it might be a different matter. Perhaps the Girard case in Japan falls in some such category, but how can we cover this point in general agreements with foreign countries?

Frankly, I see no complete solution, particularly for a worldwide problem such as that which faces us. But there are certain re-

medial measures which can be taken now, with others to be developed in the future. One that we should start on immediately is the systematic reduction in numbers of American official personnel, military and civilian, stationed in Free China. (I exclude tactical or combat forces as involving a separate set of considerations.) Doubtless well over half of our non-combat American personnel are engaged in housekeeping of some kind. This stems in part from the normal operation of Parkinson's Law, but also from a multiplicity of organizations and complex chains of command. Here on Taiwan we have some 15 lines of authority from agencies in Washington to their local representatives. This encourages the building of separate little empires, and some not so little.

As a corollary to the remedy just mentioned, we should use "indigenous" (unhappy word!) personnel wherever possible. Often, they actually are better, both for linguistic and other reasons, than the type of Americans available for positions of minor responsibility. There is much less turnover among them, and we need not be concerned appreciably with either their morale or their morals. In this way, plus the consolidation of duplicate housekeeping facilities and the elimination of structures which have outlived their concept, we can reduce very substantially the scope of our problem. In this process we should be able to bring about the largest reduction in precisely the categories of American personnel who most frequently get into trouble abroad.

The foregoing comments, of course, deal with only one general aspect of our governmental operations outside the United States, but I assume that your special interest lies in this field. It is an important feature of our broad effort to confront the communist menace firmly and successfully without alienating our friends abroad by what now appears to many of them as neo-colonialism.

I am sorry to have missed you in Taipei, but what we might have discussed then would have been overtaken by events.

Best regards.

Sincerely yours,

K. L. Rankin

263. Memorandum From the Assistant Secretary of State for Policy Planning (Bowie) to the Secretary of State ¹

Washington, June 19, 1957.

COMMENTS ON SAN FRANCISCO SPEECH ²

1. The draft speech is a clear and eloquent brief of the present US position on Communist China. In my judgment, it suffers from the same basic defect as the policy itself. It assumes that the present policy can succeed without analyzing either its prospects or its costs.

I.

2. The premises of US policy, as described in the speech, are in essence:

a. Communist China is hostile to the US; has acted and probably will continue to act in ways which are contrary to acceptable standards of international behaviour and adverse to US interests.

b. Communist China is a solid partner of the Soviet Union and an active agent of international communism.

c. US moves toward accommodation to the Chinese Communist regime will not have a significant effect on the character of the regime or its relation to Russia and international communism.

d. Any move by the US which appears to be in the direction of accommodation to the Chinese Communists will: (1) increase the prestige of the Chinese Communists; (2) have unsettling effects in Taiwan; and (3) dispose the Asian friends of the US to move toward closer and possibly dangerous relationships with the Chinese Communists.

3. From these premises the speech draws the following policy conclusions:

a. The US should not recognize Communist China;

b. The US should exert its maximum efforts:

(1) to maintain the international status of Nationalist China as the only government of China; (2) to isolate the

¹ Source: Department of State, PPS Files: Lot 67 D 548, China. Confidential. Sent to the Secretary under a covering memorandum from Bowie, June 19, in which Bowie explained: "In view of the nature of my comments, it did not seem worth while to try to suggest textual changes in the speech itself". The copy of the memorandum printed here is the copy which was sent by Bowie to Under Secretary Herter, and is found under a covering memorandum from Bowie to Herter, June 20; *ibid*.

² Bowie was commenting on a draft of the speech on China policy which Dulles delivered in San Francisco on June 28. For text, see Document 268. This critique by Bowie of the San Francisco speech is apparently the "departing" memorandum cited by Townsend Hoopes in *The Devil and John Foster Dulles* (Boston: Little Brown, 1973), p. 419. Gerard C. Smith replaced Bowie as Assistant Secretary for Policy Planning on September 6, 1957.

Chinese Communists economically and diplomatically, with special stress upon their continued exclusion from the UN or any of its agencies.

II.

4. The premises of US policy as described above are largely unassailable as far as they go. In some respects the speech seems to me to overstate the effects of a less rigid US policy and to ignore the extent of existing contacts by other nations with Communist China. Even so, this part of the analysis seems to me generally acceptable. But that is only half of the story. In choosing a policy, it is essential not only to assess its advantages but also its prospects and costs. Only then can one course be intelligently weighed against other courses. The speech describes eloquently the possible benefits from the present policy. It fails to consider at all its costs or its chances of success. That is why I feel that the analysis and policy are inadequate.

5. This omission does not seem to me to invalidate the first policy conclusion: that the US should not now recognize Communist China. Recognition is ours alone to give or withhold; it costs little or nothing to withhold it; we derive no clear benefits from bestowing it now. In my judgment, however, we tend to extend the idea further than is necessary or serves our own interest. For example, I think it would be in our interest to allow reporters to go to China and to include China in any disarmament agreement. Neither of these actions appears to me incompatible with continued non-recognition. Thus our own refusal to recognize can be maintained without incurring undue costs in other respects.

6. That is not the case as to the second policy conclusion. In effect, that commits us to engaging our prestige and expending our political resources in a continuing effort to deprive the Chinese Communists of economic and political relations with the rest of the world.

III.

7. This is where both the analysis and the policy seem to me to go astray. The reason is simple. I do not believe that over the long run, or even in the fairly near term, the effort to isolate Communist China as a pariah will succeed. We have already seen the British take the lead in doing away with the China differential. There can be little doubt that our other friends will in the near future follow that lead. And in the field of political relations we are, in the instances of the UN General Assembly and the specialized agencies, at the mercy

of a majority over which we cannot expect to maintain control for very long. Other nations, including many which fear and dislike Communist China, do not agree with the US approach to the problem. They are increasingly likely to conclude that their interests will be better served by recognizing Red China and having it within the UN framework. Before long, a simple majority can defeat our efforts to isolate the Chinese Communists and can seat them in one of the specialized agencies or in the General Assembly.

8. Granted that any US adjustment of its posture toward the Chinese Communists will entail risks, we must weigh these risks against those we run if we continue adamant in our present position and are then defeated. The consequences in that case, I believe, would be formidable.

a. If in the face of a determined US effort to keep them out, the Chinese Communists gain a seat in one of the UN organs:

- (1) Chinese Communist prestige will be greatly enhanced;
- (2) Asian countries will hasten to accommodate themselves to a regime which has won an important political victory over the US. In these circumstances they will be relatively free of restraint from US influence in determining the bounds of their accommodation with the Communists;
- (3) In this context, there is bound to be a falling off of support for the idea of an independent Taiwan and a greater tendency to accept Communist China as the only China;
- (4) There will be severe repercussions on Taiwan enhanced by the US defeat. Some elements, at least, will tend toward rapprochement with the mainland.

b. In the meantime, the US effort to coerce other nations not to recognize Communist China and not to seat it in the UN organs will itself entail severe costs. US policy in the Far East will suffer from the distortions which invariably accompany misdirected effort.³

(1) In this effort, the US will expend diplomatic and other ammunition which might better be devoted to attempting to advance other interests. In twisting arms, granting favors, and making deals to isolate the Chinese Communists, we will use up influence and leverage which is needed for other purposes.

(2) This negative effort will tend to distract the US from useful and constructive activity in building free Asia. Our policy already suffers severely from this fault. The speech itself illustrates this failing. It focuses mainly on the negative task of isolating the Chinese Communists, and largely neglects the serious problems of developing strong counterweights to Communist China in Japan and India. As failure of the policy becomes more imminent, there will be an increas-

³ Thus the unreal goal of wiping out Israel constantly distorts Arab policies and actions. [Footnote in the source text.]

ing tendency to devote undue resources and attention to shoring it up at the expense of more positive goals.

9. Thus in the final analysis the consequences of sticking to our present policy are likely to be disastrous in terms of our interests and our influence. The results of this course seem to me far more serious than those of available alternatives even if one accepts the premises on which our policy and the speech are based.

IV.

10. Hence we should seek gradually to recast our policy into a more durable mold. Our aims should be (a) to insure the continuance of an independent Taiwan with membership in the UN; (b) to enlist greater free world support for our basic position regarding Communist China; and (c) to minimize the damage to US influence and interests if and when Communist China is admitted to the UN.

11. In practice, this means that we should move toward a "Two-China" policy. Such a policy would involve recognition that neither "China" would absorb the other; it would call for eventual recognition of both countries by most states (but not necessarily by US); it would call for resolving various issues in relation to UN seating which might consume a lengthy period of time.

12. Adoption of such a policy by the US would undoubtedly trouble our Formosan friends. But it would:

a. Provide a basis for maneuver on the question of seating Communist China in the UN so as to complicate and delay such seating considerably;

b. Shift to Communist China the onus for intransigence;

c. Enhance US influence in setting limits to the degree of accommodation of free Asian nations to Communist China;

d. Give permanence to the US protective guardianship of Formosa; and

e. Avoid the dangerous consequences of the defeat of present US policy.

13. The fact that neither "China" will today accept such a concept is an advantage, not a handicap. For we now need most of all to disengage our prestige, cushion the unsettling effects of any adjustment of our posture, and establish a position that we can live with. This will take time. The unwillingness of either "China" to accept the other as a permanent entity will help us to buy time.

14. I do not suggest that your speech should explicitly espouse a Two-China solution. As a first step, it would be sufficient to begin restating our position on Chinese Communist entry into the UN in ways which do not nail our flag to the mast. Our opposition might be stated in a more conditional form. Indeed, we need not specify all

the conditions at this time. Three prerequisites are obvious; (a) the release of the US prisoners; (b) continued independence and UN membership for Taiwan; (c) renunciation of use of force by Chinese Communists to recover Taiwan. The crucial thing is to avoid digging ourselves further into a position which will ultimately cost us dearly in influence and in the protection of our interests in the Far East.⁴

⁴ Attached to the source text, as sent to the Under Secretary, is another memorandum from Bowie to the Secretary, also dated June 19. This memorandum is a brief addendum to the source text which grew out of Bowie's discussion of his initial memorandum with the Secretary. The text of this "Addendum on San Francisco Speech" reads as follows:

"I should like to clarify one point which arose in our discussion of my memorandum on your draft speech. You asked whether my comments merely came down to the view that we should stop fighting for what was right because we were sure to lose.

"As I told you, this is not my point. My basic premise is that we are engaged in a contest with Communist China which is likely to go on for a long time. In that contest, we must husband our capabilities and use them effectively if we are to succeed. In so far as we dissipate our means or devote them to impractical goals, we weaken our chances for longer-term success.

"My criticism of our present policy is directed at this very point. Our present policy seems to me inadequate because it will fail to achieve its goals and in the process will impair our ability to protect our interests thereafter. It seems to me that it will use up our means, impair our influence, and ultimately weaken the forces opposed to Communist China. Thus I believe it will not serve the main purposes we should have in the Far East.

"The situation is similar to that which often faces a general. His strategy may well require withdrawals in one sector in order to promote ultimate success in the campaign. So it is here as I see it. To engage our full prestige and influence along the present lines seems to me a grave mistake if we consider the consequences for the long-term campaign."

264. Memorandum From the Director of the Office of Chinese Affairs (Clough) to the Assistant Secretary of State for Far Eastern Affairs (Robertson)¹

Washington, June 20, 1957.

SUBJECT

Mao Tse-tung's Speech of February 27 "On the Correct Handling of Contradictions Among the People"²

¹ Source: Department of State, Central Files, 793.11/6-2057. Drafted in CA by Bennett.

² For additional information on this speech, see Document 238. An overall assessment of the speech, as released on June 18, was circulated in the Department on July 1

The most significant features of Mao Tse-tung's speech of February 27 "On the Correct Handling of Contradictions Among the People", a full text of which was broadcast June 18 by Peiping radio, are summarized below:

1. Mao addressed himself almost wholly to the domestic situation in China. There is no evidence of strained relationships with Moscow. In fact there is less implied advice to or dissatisfaction with Moscow than in the "People's Daily" article of last December. Also, there is no reference to peaceful negotiation with the GRC, a subject in the forefront of Communist propaganda in February when this speech was delivered. The only reference to the GRC is to the "Chiang Kai-shek clique", which with "United States imperialists" is, according to Mao, sending secret agents into China to carry on "wrecking activities".

2. The speech contains a striking reaffirmation of the dictatorial principles by which the Chinese Communists govern. "Classes, strata, and social groups" which support the cause of "socialist construction" are defined by Mao as constituting "the people". Those who oppose are defined as "enemies of the people". Dictatorship is used to suppress enemies of the people; "democratic centralism" is applied among the people. In resolving "contradictions" among the people both "administrative orders" (i.e. force) and persuasion and

in an "Intelligence Report" produced in the Office of Intelligence Research. The summary of this assessment reads, in part:

"Mao Tse-tung's 'secret' February 27, 1957 speech, published by Peiping on June 18, 1957, is his major ideological statement since 1949 and will have important repercussions in the Communist bloc. Although in revising the speech for publication, Mao has blunted somewhat the novelty of his thesis that 'contradictions' can exist in a socialist state between the people and their Communist leaders, he makes major admissions of weakness in the Chinese Communist system. He acknowledges serious difficulties in agriculture and states that it will take at least five years to persuade the peasants of the superiority of the collective farm system that was instituted in Communist China in 1955-56. He concedes problems with intellectuals and technically trained personnel, only a few of whom have become Communists. Among students, he admits, Marxism seems now to be 'not so much in fashion.' " (Department of State, PPS Files: Lot 67 D 548, China)

A contrasting assessment of the overall significance of the speech was offered by the Consulate General in Hong Kong in telegram 2307, June 22:

"Text of Mao's February 27 speech released June 18 contains little not previously covered by ChiCom commentaries and we wonder if it does not come as something of anti-climax to Chinese people as it does to Consulate General. Essentially defensive in tone and curiously lacking in anticipated international appeal." (*Ibid.*, Central Files, 793.00/6-2257)

The Embassy in Moscow weighed the significance of the speech for Communist bloc politics in telegram 2769 from Moscow, June 21:

"Mao's disclaimer that Chinese experience is mandatory for other Communist parties together with assertion that Chinese will borrow from Soviet experience on that which fits Chinese conditions comes closer to Yugoslav views than Soviet and we do not doubt that Belgrade will regard these statements as support for its line." (*Ibid.*, 693.00/6-2157)

education are used. Mao makes the point that people cannot be compelled to give up their religion or alter their ideology by force; "persuasion" is needed, but this can be "complemented" by administrative orders.

Mao's concern throughout the speech with evidences of popular dissatisfaction with the Communist regime is quite marked. The "turbulent class struggles" of the early days are over, he says, but "time is needed for our socialist system to grow and consolidate, for the masses to get accustomed to the new system, and for government workers to study and acquire experience".

3. Mao reveals in his speech that many people in Communist China were in sympathy with the Hungarian uprising of last year. "Certain people" were "delighted" when the events in Hungary occurred and hoped that "something similar" would happen in China and that "thousands upon thousands of people would demonstrate against the People's Government". Others took a "wavering attitude" because they were ignorant of the "actual world situation". These people felt that there was "too little freedom" under "our people's democracy" and asked for the adoption of the "two-party system of the West". Mao then proceeds to explain how wrong such views are.

4. The speech is quite defensive about the peasant's attitude toward collectivization of agriculture. A "miniature typhoon" was whipped up, Mao says, by critics of the cooperatives who failed to make a "comprehensive study of the achievements and shortcomings of the cooperatives". Significantly, Mao claims only that 70% of the rural population are "staunch" supporters of the cooperatives. Although he states that most of the rest "cherish hopes" for the future of the cooperatives, this amounts to an admission of considerable lack of support for the collectivization program.

5. Mao also admits to difficulties in Tibet. Conditions there, he says, are not yet "ripe" for the carrying out of "democratic reforms". This can be done "only when the great majority of the people of Tibet and their leading public figures consider it practicable". Mao goes on to say that it has been decided not to proceed with democratic reform in Tibet during the period of the second five-year plan (1958-1962). Whether it will be done during the third five-year plan will depend, he says, on the situation at the time.

6. Mao devotes considerable space to the policy of "letting a hundred flowers blossom and a hundred schools of thought contend". He makes it clear that the Chinese Communists have particularly in mind the need to promote the "flourishing of the arts and the progress of science". From this it would appear that Mao is afraid of the intellectual sterility in these fields which authoritarianism often produces. Mao also advances the thesis that more discussion of ideas is needed to strengthen the ideological hold of the Communist

Party. "Fighting against wrong ideas", he says, "is like being vaccinated—a man develops greater immunity from disease after the vaccine takes effect." But he warns that the "hundred flowers" policy does not give "counter-revolutionaries and wreckers of the socialist cause" freedom to advance "non-Marxist ideas". This danger is dealt with easily. "We simply deprive them of their freedom of speech".

To enable people to distinguish between bad ideas and good ones Mao supplies six criteria. The gist of these is that words and actions which support the regime and the Communist bloc as a whole are "fragrant flowers"; those which hinder are "poisonous weeds".

7. Toward the end of the speech Mao gives further significant evidence of discontent among the people. "In 1956", he says, "small numbers of workers and students in certain places went on strike". Also members of "a small number" of agricultural cooperatives "created disturbances". These outbreaks Mao ascribes to failure to satisfy demands for material benefits and to "bureaucracy" on the part of leaders. The solution to the problem, as he sees it, is to stamp out bureaucracy and improve the education work of the regime.

8. No reference appears in the speech to the liquidation of 800,000 persons as reported in Sydney Gruson's story of June 12 in the *New York Times*.³ This and other details which were reported by Gruson may have been edited out of this version of the speech or they may have been contained in Mao's March 12 speech, the text of which has not yet been released.⁴

³ Gruson's article was datelined from Warsaw and was based upon the text of Mao's speech of February 27. (*New York Times*, June 13, 1957)

⁴ The text of Mao's March 12 speech at the Chinese Communist Party's National Conference on Propaganda Work is printed in *Selected Readings from the Works of Mao Tse-tung* (Peking: Foreign Languages Press, 1967) pp. 388-401.

265. Memorandum of Discussion at the 327th Meeting of the National Security Council, Washington, June 20, 1957¹

Present at the 327th Council meeting were the President of the United States, presiding; the Under Secretary of State; the Acting Secretary of Defense; and the Director, Office of Defense Mobilization. Also present were the Director, Bureau of the Budget; the

¹ Source: Eisenhower Library, Whitman File, NSC Records. Top Secret. Drafted by Gleason on June 21.

Acting Federal Civil Defense Administrator (for Item 1); the Director, U.S. Information Agency; Assistant Secretary of State Bowie; Gen. Harold S. Bull, CIA (for Item 1); the Acting Secretary of the Army, the Acting Secretary of the Navy, and the Secretary of the Air Force (for Item 1); Gen. Nathan F. Twining for the Chairman, Joint Chiefs of Staff; the Chief of Staff, U. S. Army, the Chief of Naval Operations, and the Commandant, U. S. Marine Corps (for Item 1); Lt. Gen. Samuel E. Anderson, Dr. Albert G. Hill, and Dr. Bernard Koopman, of the Department of Defense (for Item 1); William M. Holdaday, Special Assistant to the Secretary of Defense (for Item 1); the Director of Central Intelligence; The Assistant to the President; the Deputy Assistant to the President; Special Assistants to the President Cutler and Dearborn; the White House Staff Secretary; the Military, Naval and Air Force Aides to the President (for Item 1); the Executive Secretary, NSC; and the Deputy Executive Secretary, NSC.

There follows a summary of the discussion at the meeting and the main points taken.

[Here follows discussion of item 1, "Relative Military Advantage of IRBM-ICBM vs. Manned Aircraft and Non-Ballistic Missiles".]

2. *Significant World Developments Affecting U.S. Security*

[Here follows discussion of a report by a United Nations committee on the Hungarian uprisings.]

Mr. Dulles pointed out that at long last Mao Tse-tung's speech of February 1957 had been released by Peiping in the official version. It had likewise been published in *Pravda* today. While the official text had been doctored, it still contained many of the most significant points covered in the earlier texts of what Mao had said. After describing some of these points, Mr. Dulles prophesied that the speech would constitute the ideological basis for the Government of Communist China for some time to come. Moreover, the speech certainly indicated differing trends in Communist China and in the USSR.

Mr. Dulles also noted a withdrawal of significant numbers of Chinese Communist troops from Tibet. He believed that these troops were being withdrawn in the face of Tibetan-inspired difficulties, on the one hand, and for reasons of economy, on the other. The Chinese Communists would presumably attempt to win the allegiance of Tibetans by different methods than the military methods of the past.

The President inquired whether the stationing of Chinese Communist troops in Tibet had not been considered a means of maintaining pressure on India. Mr. Dulles replied that this was certainly a consideration in the deployment of Chinese Communist forces in Tibet.

[Here follows discussion of developments in Indonesia, Thailand, Lebanon, Saudi Arabia, Iraq, Syria, Egypt, and Yemen.]

The National Security Council: ²

Noted and discussed an oral briefing by the Director of Central Intelligence on the subject, with specific reference to a summary of the UN report on the Hungarian uprisings; the recent publications of the official text of Mao Tse-tung's speech of February 1957; the Chinese Communist troop withdrawals from Tibet; and the situations in Indonesia, Thailand and the Middle East.

[Here follows discussion of items 3, "U.S. Policy Toward Ethiopia", 4, "Antarctica", and 5, "Further Application of 'New Look' to U.S. Defense Efforts Overseas".]

S. Everett Gleason

² The following paragraph constitutes NSC Action No. 1734, the record copy of which is in Department of State, S/S-NSC (Miscellaneous) Files: Lot 66 D 95.

266. Memorandum of Discussion at the 328th Meeting of the National Security Council, Washington, June 26, 1957 ¹

Present at the 328th NSC meeting were the President of the United States, presiding; the Secretary of State; the Secretary of Defense; and the Director, Office of Defense Mobilization. Also present were the Under Secretary of the Treasury; the Acting Secretary of the Interior (for Item 1); the Director, Bureau of the Budget; the Acting Director, U.S. Information Agency; the Director, National Science Foundation (for Item 1); the Director, International Cooperation Administration; the Deputy Secretary of Defense; Assistant Secretary of Defense Sprague; the Chairman, Joint Chiefs of Staff; the Director of Central Intelligence; The Assistant to the President; Special Assistant to the President Cutler; the White House Staff Secretary; Administrative Assistant to the President Harlow; the Acting Executive Secretary, NSC; and the Director, NSC Secretariat.

There follows a summary of the discussion at the meeting and the main points taken.

[Here follows discussion of item 1, "Antarctica".]

2. Significant World Developments Affecting U.S. Security

The Director of Central Intelligence commented briefly on the propaganda reactions from Peiping, Moscow and North Korea, to the

¹ Source: Eisenhower Library, Whitman File, NSC Records. Top Secret; Eyes Only. Drafted by Gleason on June 27.

U.S. announcement of its intentions to modernize U.S. forces in South Korea.

Mr. Dulles then analyzed the increased Chinese Communist military activity in the Amoy-Quemoy area. In the course of their shelling of the Nationalist-held offshore islands, the Chinese Communists had apparently fired 9350 rounds in a single day recently,² the heaviest such bombardment ever recorded and directed against the Quemoy island group.

The President interrupted to ask whether our Government had people on these offshore islands. Mr. Dulles replied that we had a MAAG group, Secretary Dulles, who was obviously very concerned over this increased military activity, complained that he hadn't been able to find that the State Department had had any report from representatives of the Department resident in the area, with respect to the Communist shelling of the offshore islands.³ Secretary Wilson interrupted to say he would not be in the least surprised if it had been the Nationalists who had initiated these artillery exchanges. Secretary Dulles went on to ask whether we did not get reports on such events, and as to what is going on in the Quemoy area, from representatives of the Department of Defense

Mr. Allen Dulles expressed the view that now that the Chinese Communists had completed their new railroad into Amoy, they wanted to open up the Port of Amoy to shipping. Accordingly, they might wish either to seize or to neutralize the small islands—Little Quemoy, Tatan and Ehrtan—which could block entrance to the Port of Amoy. It was suggested that the absence of official U.S. reports on this stepped-up shelling might indicate that our people in this area regarded the matter as no great departure from the routine artillery exchanges between the Communists and the Nationalists.

Mr. Dulles went on to comment on the movement of a light bomber group of Chinese Communist IL-28s in the direction of the Amoy area. He closed his comments on the general topic of the offshore islands by stating that there existed no real evidence that the

² In telegram CX 86 from the Army Attaché in Taipei to the Department of the Army, June 25, the Attaché reported:

"Big shoot on Kinmen group 24 June began during morning hours as fairly light exchange continuing into early afternoon with ChiNats apparently stepping up pace. During period 1813-1930I ChiCom batteries fired 9132 rds, mostly on Little Kinmen, with over 4000 rds in vicinity 81st Div command post. No further firing reported up to 251200I." (Department of State, CA Files: Lot 60 D 648, 410.2 Off-shore Islands)

³ In telegram 1363 from Taipei, June 25, the Embassy reported that 9,000 shells had fallen on Little Kinmen island in 1 hour and 15 minutes. The Embassy speculated that the most plausible explanation for the heavy fire directed at Little Kinmen was that "it dominates entrance Amoy harbor and Reds may wish neutralize it in order facilitate greater use of harbor following British de-embargo". There is no indication in the telegram that the information cited was derived from reports from representatives of the Department of State. (*Ibid.*, Central Files, 793.00/6-2557)

Chinese Communists were about to try to seize these offshore islands at the present time. He pointed out, however, that there were plenty of Chinese Communist troops in the general area if a decision to move were made.

[Here follows discussion of developments in the Soviet Union, Lebanon, Syria, and Egypt.]

*The National Security Council:*⁴

Noted and discussed an oral briefing by the Director of Central Intelligence on the subject, with specific reference to Communist reaction to U.S. announcements regarding the introduction of advanced weapons into Korea; recent Chinese Communist military activities in the Amoy-Quemoy area; the cancellation of the Moscow Air Show; recent Soviet propaganda attacks on the United States; developments in the Soviet missiles program; Soviet naval activities in the Mediterranean; and developments in the Middle East.

[Here follows discussion of items 3, "U.S. Policy Toward Libya", 4, "U.S. Policy Toward Turkey", and 5, "Further Application of 'New Look' to U.S. Defense Efforts".]

S. Everett Gleason

⁴ The following paragraph constitutes NSC Action No. 1739, the record copy of which is in Department of State, S/S-NSC (Miscellaneous) Files: Lot 66 D 95.

267. Memorandum on the Substance of Discussions at a Department of State-Joint Chiefs of Staff Meeting, Washington, June 27, 1957, 11 a.m.¹

[Here follows a list of 26 persons present, including Admiral Radford, General Twining, and General Pate of the Joint Chiefs of Staff. Admiral H. D. Felt, Vice Chief of Naval Operations, and General Carter B. Magruder, Deputy Chief of the Army General Staff, represented their respective services. The Department of Defense was also represented by John N. Irwin II, Deputy Assistant Secretary of Defense for International Security Affairs. Department of State representatives included Deputy Under Secretary of State Loy W. Henderson and Counselor G. Frederick Reinhardt. The CIA was represented by Deputy Director General C. P. Cabell. S. Everett Gleason represented the National Security Council.]

¹ Source: Department of State, State-JCS Meetings: Lot 61 D 417. Top Secret. Drafted by W. Tapley Bennett, Special Assistant to the Deputy Under Secretary for Political Affairs.

[The first items discussed in the meeting were 1, "Distribution of Baghdad Pact Military Documents", 2, "Baghdad Pact Ministerial Council Session at Karachi", and 3, "Proposal for NATO Stockpile of Atomic Weapons".]

4. Military Activities on the Chinese Off-shore Islands

Mr. Henderson brought up the problem of lack of information on recent military action with respect to the islands off the Chinese coast. He mentioned that Secretary Dulles had expressed concern over the lack of information at his staff meeting this morning and asked whether there are some of our own military people on the islands who can report what is going on. The State Department feels that the situation is such that almost anything could happen and that there is a real need for reports on almost an hour-to-hour basis. General Cabell reported that his agency had received a report this morning from their station out there to the effect that last night's bombardment had been very heavy. Admiral Radford said that we had established our own military forces on Quemoy Island precisely in order to be able to obtain quick and reliable information. We need to know whether the reports coming from the off-shore islands are Chinese Nationalist reports only or whether they are confirmed by U.S. observers on the islands. He said that press inquiries here make it important that our observers on the islands anticipate insofar as possible needs in Washington for up to the minute information. He requested Admiral Burke to have the Navy send a priority message on this matter.

[Here follows discussion of items 5, "Operation Alert" and 6, "London Disarmament Talks".]

268. Address by the Secretary of State, San Francisco, June 28, 1957, 10:30 a.m.¹

OUR POLICIES TOWARD COMMUNISM IN CHINA²

It is appropriate that in this great city of San Francisco, which faces the Far East, we should consider our policies toward Communism in China.

I.

The Situation Today

On the China mainland 600,000,000 people are ruled by the Chinese Communist Party. That Party came to power by violence and, so far, has lived by violence.

It retains power not by will of the Chinese people, but by massive, forcible repression. It fought the United Nations in Korea, it supported the Communist war in Indochina; it took Tibet by force. It fomented the Communist Huk rebellion in the Philippines and the Communists' insurrection in Malaya. It does not disguise its expansionist ambitions. It is bitterly hateful of the United States, which it considers a principal obstacle in the way of its path of conquest.

In the face of this condition the United States has supported; morally and materially, the free nations of the Western Pacific and

¹ Source: Department of State Press Release 393. Dulles' speech was delivered to the international convention of the Lions International Club in the Civic Auditorium in San Francisco and was televised live by the National Broadcasting Company's television network. It was also carried on a delayed basis by the radio networks of the American Broadcasting Company and the Columbia Broadcasting System, and by the television network of the Columbia Broadcasting System. (Department of State *Bulletin*, July 15, 1957, pp. 91-95)

² The speech was drafted by Dulles, who explained in a telephone conversation with the President on June 20 that he felt it was time to try to restate the China policy of the United States "as there is a good deal of confusion" concerning it. (Memorandum of a telephone conversation between the President and the Secretary of State, transcribed by Phyllis D. Bernau; Eisenhower Library, Dulles Papers, White House Telephone Conversations) A note dated June 20, found in the Dulles-Herter Series of the Whitman File in the Eisenhower Library, indicates that Eisenhower raised "one or two questions" about the draft of the speech sent to him, and approved the remainder of the speech as "excellent". On June 25, Dulles sent Eisenhower a final draft of the speech, which had been reduced somewhat in length for reasons of space and in order to concentrate more on China and less on the Soviet Union. (Letter from Dulles to Eisenhower, enclosing a draft speech, June 25; *ibid.*) In a letter to Dulles on June 26, Eisenhower approved the final draft, raising only a question about the distinction between formal diplomatic recognition and acceptance of the fact that a regime has power. Eisenhower noted that Churchill and Eden had argued that recognition should represent a mere acknowledgement of fact. There was precedent for moral and legal considerations in President Wilson's approach to the Government of Mexico prior to World War I, but Eisenhower felt that the U.S. position on recognition should be based upon reservations growing out of contemporary practice. (*Ibid.*, DDE Diaries)

Southeast Asia. Our security treaties make clear that the violation of these nations by International Communism would be considered as endangering our own peace and safety, and that we would act accordingly.

Together we constitute a goodly company and a stout bulwark against aggression.

As regards China, we have abstained from any act to encourage the Communist regime, morally, politically, or materially. Thus:

We have not extended diplomatic recognition to the Chinese Communist regime;

We have opposed its seating in the United Nations;

We have not traded with Communist China, or sanctioned cultural interchanges with it.

These have been, and are, our policies. Like all our policies, they are under periodic review.

II.

The Precedent of Russia

As we review our China policy, we naturally and properly recall our recognition policy as regards Communist Russia.

The Bolsheviks seized power from Kerensky in 1917. Nevertheless, we continued for 16 years to treat the Kerensky representatives in exile as the lawful government of Russia. By 1933, it seemed that the Communist regime might be considered as a peaceful member of society. For more than a decade it had committed no act of armed aggression. It had accepted the independence of Estonia, Latvia and Lithuania, and of Poland. It was not demonstrably maltreating American citizens. It promised to cease subversive activities in the United States, to respect American rights in Russia, and to settle Russia's public and private debts to the United States.

Also, by 1933, we desired to encourage the Soviet regime to resist Japanese aggressive policies in the Far East. The Republic of China, inspired by this same notion, had recognized the Soviet Government in December 1932 and we shortly followed suit.

We need not question that act of recognition under the circumstances which then prevailed. Recognition seemed indicated by most tests and we did not read the future.

However, it can, I think, be said with confidence that recognition would not have been accorded to the Soviet Union even in 1933 had there been clear warning that the Soviet promises given in that connection were totally unreliable, that aggressive war would soon become an instrumentality of Soviet policy, and that it would be neutral toward Japanese aggression in Asia.

In the case of Communist China, we are forewarned. That regime fails to pass even those tests which, after 16 years, the Soviet regime seemed to pass.

(1) Soviet Russia, in 1933, had had a decade of peaceful and non-aggressive relations with neighboring states; Communist China's past record is one of armed aggression.

(2) The Soviet regime seemed to want peace for the future. In the case of Communist China the situation is quite the reverse. Mr. Chou En-lai, at the time of the Bandung Conference, said that "the Chinese people do not want to have war with the United States and are willing to settle international disputes by peaceful means".³ But when the United States took him up, and sought explicit reciprocal renunciations of force, his Ambassador, after presenting various evasive formulas, finally stated frankly that his regime contemplated using armed force to take Taiwan (Formosa) unless they could get it in some other way.

(3) The Soviet Union in 1933 was not flagrantly violating its international engagements. The Chinese Communist regime is violating the 1953 Korean Armistice⁴ and the 1954 Indochina Armistice.⁵

(4) There was reason to hope that the Soviet regime would treat our nationals with respect. The Chinese Communist regime violates the persons of our citizens in defiance of the elementary code of international decency and breaches its 1955 pledge to release them.

(5) It seemed, in 1933, that the Soviet regime and the United States had parallel interests in resisting Japanese aggression in the Far East. Today, the political purposes of Communist China clash everywhere with our own.

III.

The Consequences of Recognition

United States diplomatic recognition of Communist China would have the following consequences:

(1) The many mainland Chinese, who by Mao Tse-tung's own recent admission seek to change the nature of their government, would be immensely discouraged.

(2) The millions of overseas Chinese would feel that they had no Free China to which to look. Today, increasing numbers of these overseas Chinese go to Free China to study. Six years ago there were less than 100 Chinese students from Southeast Asia and Hong Kong studying in Taiwan. Now there are nearly 5,000.

³ The quote is paraphrased from a speech by Premier Chou En-lai to the Political Committee of the Bandung Conference, April 23, 1955. The text of the speech is printed in *Documents on International Affairs, 1955*, pp. 420-425.

⁴ The Armistice Agreement between the U.N. Commander in Korea and the Commanders of the Communist Forces in Korea was signed on July 27, 1953. (4 UST 234-354)

⁵ For texts of the separate Armistice Agreements relating to Vietnam, Laos, and Cambodia which were signed at Geneva on July 20, 1954, see *Foreign Relations, 1952-1954*, vol. xvi, pp. 1505 ff.

The number of Chinese students from overseas communities coming to Free China has increased year by year; the number going to Communist China has declined, and hundreds of disillusioned students have made their way out of mainland China in the past two years.

If the United States recognized the Chinese Communist regime, many of the millions of overseas Chinese in free Asian countries would, reluctantly, turn to acceptance of the guiding direction of the Communist regime. This would be a tragedy for them; and it would imperil friendly governments already menaced by Chinese Communist subversion.

(3) The Republic of China would feel crushed by its friend. That government was our ally in the Second World War and for long bore alone the main burden of the Far Eastern war. It had many tempting opportunities to compromise with the Japanese on terms which would have been gravely detrimental to the United States. It never did so. We condemn the Soviets for having dishonored their 20-year treaty pledge of 1945 to support the Chinese National Government as the central government of China. We are honor-bound to give our ally, to whom we are pledged by a Mutual Defense Treaty, a full measure of loyalty.

(4) The free Asian governments of the Pacific and Southeast Asia would be gravely perplexed. They are close to the vast Chinese land mass. Geographically and, to some extent, politically, they are separated as among themselves. The spirit and resolution of the United States provides an important unifying and fortifying influence. If we seemed to waver and to compromise with Chinese Communism, that would in turn weaken free Asia resistance to Chinese Communism and assist International Communism to score a great success in its program to encircle us.

IV.

China and the United Nations

United States recognition of Communist China would make it probable that the Communist regime would obtain the seat of China in the United Nations. That would not be in the interest either of the United States or of the United Nations.

The United Nations is not a reformatory for bad governments. It is supposedly an association of those who are already "peace-loving", and who are "able and willing to carry out the Charter obligations". The basic obligation is to renounce the international use of force, except in defense against armed attack.

The Chinese Communist regime has a record of successive armed aggressions, including war against the United Nations itself, a war not yet politically settled but discontinued by an armistice. The

regime asserts not only its right, but its purpose, to use force if need be to bring Taiwan under its rule.

The Republic of China is entitled to a permanent seat and "veto power" in the Security Council. Should a regime which in seven years has promoted 5 foreign or civil wars—Korea, Indochina, Tibet, the Philippines, and Malaya; which itself has fought the United Nations and has been found by it to be an aggressor; which defies the United Nations' decision to reunify Korea, and which openly proclaims its continuing purpose to use force—should that regime be given a permanent seat, with veto power, in the body which under the Charter has "primary responsibility for the maintaining of international peace and security"?

Communist Russia, with veto power, already seriously limits the ability of the United Nations to serve its intended purposes. Were Communist China also to become a permanent, veto-wielding member of the Security Council, that would, I fear, implant in the United Nations the seeds of its own destruction.

V.

Trade and Cultural Relations with Communist China

Let me turn now to the matter of trade and cultural relations, which could exist, to a limited degree, without recognition.

Normal peacetime trade with China, from which the American and Chinese peoples would benefit, could be in the common interest. But it seems that that kind of trade is not to be had in any appreciable volume.

Trade with Communist China is not a free trade. It does not provide one country with what its people want, but cannot well produce for themselves, in exchange for what other people want but cannot well produce for themselves. Trade with Communist China is wholly controlled by an official apparatus and its limited amounts of foreign exchange are used to develop as rapidly as possible a formidable military establishment and a heavy industry to support it. The primary desire of that regime is for machine tools, electronic equipment, and, in general, what will help it produce tanks, trucks, planes, ammunition, and other military items.

Whatever others may do, surely the United States, which has heavy security commitments in the China area, ought not build up the military power of its potential enemy.

We also doubt the value of cultural exchanges, which the Chinese Communists are eager to develop. They want this relationship with the United States primarily because, once that example were given, it would be difficult for China's close neighbors not to follow

it. These free nations, already exposed to intense Communist subversive activities, could not have the cultural exchanges that the Communists want without adding greatly to their danger.

VI.

The "De Facto" Argument

These are the considerations which argue for a continuance of our present policies. What are the arguments on the other side?

There are some who say that we should accord diplomatic recognition to the Communist regime because it has now been in power so long that it has won the *right* to that.

That is not sound international law. Diplomatic recognition is always a privilege, never a right.

Of course, the United States recognizes that the Chinese Communist regime exists. We well know that it exists, for it has fought in Korea. Also, we admit of dealing with the Chinese Communists in particular cases where that may serve our interests. We have dealt with it in relation to the Korean and Indochina Armistices. For nearly two years we have been, and still are, dealing with it in an effort to free our citizens and to obtain reciprocal renunciations of force.

But diplomatic recognition gives the recognized regime valuable rights and privileges, and, in the world of today, recognition by the United States gives the recipient much added prestige and influence at home and abroad.

Of course, diplomatic recognition is not to be withheld capriciously. In this matter, as others, the United States seeks to act in accordance with principles which contribute to a world society of order under law.

A test often applied is the ability of a regime actually to govern. But that is by no means a controlling factor. Nations often maintain diplomatic relations with governments-in-exile. And they frequently deny recognition to those in actual power.

Other customary tests are whether, as Thomas Jefferson put it, the recognized government reflects "the will of the nation, substantially declared"; whether the government conforms to the code of civilized nations, lives peacefully and honors its international obligations.

Always, however, recognition is admitted to be an instrument of national policy, to serve enlightened self-interest.

One thing is established beyond a doubt. There is nothing automatic about recognition. It is nothing compelled by the mere lapse of time.

VII.

The "Inevitability" Argument

Another argument is that diplomatic recognition is inevitable, so why not now?

First of all, let me say emphatically that the United States need never succumb to the argument of "inevitability". We feel that we, with our friends, can fashion our own destiny. We do not accept the mastery of Communist forces.

And let me go on to say that Communist-type despotisms are not so immutable as they sometimes appear. Time and circumstances work also upon them.

There is often an optical illusion which results from the fact that police states, suppressing differences, give an external appearance of hard permanency; whereas the democracies with their opposition parties and often speaking through different and discordant voices, seem the unstable, pliable members of the world society.

The reality is, of course, that a governmental system which tolerates diversity has a long life expectancy. And a system which seeks to impose conformity is always in danger. That results from the basic nature of human beings. Of all the arguments advanced for recognition of Communist China, the least cogent is the argument of "inevitability".

VIII.

China versus Russia

There are some who suggest that if we assist the Chinese Communists to wax strong, then they will eventually break with Soviet Russia and that that is our best hope for the future.

There are no doubt basic power rivalries between Russia and China in Asia. On the other hand, the Russian and Chinese Communist Parties are bound together by close ideological ties.

Perhaps, if the ambitions of the Chinese Communists are inflated by successes, they might eventually clash with Soviet Russia.

Perhaps, too, if the Axis Powers had won the Second World War, they would have fallen out among themselves.

But no one suggested that we should tolerate and even assist an Axis-victory because in the end they would quarrel over the booty—of which we would be part.

IX.

Conclusion

We seek to appraise our China policies with an open mind and without emotion, except for a certain indignation at the prolonged abuse of American citizens in China. We have no feeling whatsoever that change is to be avoided merely in the interest of consistency or because change would imply past error.

We always take into account the possibility of influencing the Communist regime to better ways if we had diplomatic relations with it, or if, without that, we had commercial and cultural contacts with it. But the experience of those who now recognize and deal with the Chinese Communist regime convinces us that, under present conditions, neither recognition, trade, nor cultural relations, nor all three, would favorably influence the evolution of affairs in China. The probable result, internally, would be the opposite of what we hope for.

Internationally the Chinese Communist regime does not conform to the practices of civilized nations; does not live up to its international obligations; has not been peaceful in the past, and gives no evidence of being peaceful in the future. Its foreign policies are hostile to us and our Asian allies. Under these circumstances, it would be folly for us to establish relations with the Chinese Communists which would enhance their ability to hurt us and our friends.

You may ask, "What of the future?" Are our policies merely negative? Do we see any prospect of resuming the many friendly ties which, for many generations, the American people have had with the Chinese people, and which we want to have again?

Do we see any chance that the potentially great Chinese nation, with its rich and ancient culture and wisdom, will again be able to play a constructive part in the councils of the nations?

We confidently answer these questions in the affirmative. Our confidence is based on certain fundamental beliefs. One is a belief in the future of human freedom. We know that the materialistic rule of International Communism will never permanently serve the aspirations with which human beings are endowed by their Creator.

Within the Soviet Union the rulers have had to disavow Stalin's brand of Communism.

Within the satellites, even twelve years of indoctrination do not persuade the people that the Soviet system satisfies either their national or their individual desires.

Communism is equally repugnant to the Chinese people. We read the recent brave words uttered within Red China by the university lecturer: "To overthrow you cannot be called unpatriotic, because you Communists no longer serve the people".

The Chinese people are, above all, individualists. We can confidently base our policies on the assumption that International Communism's rule of strict conformity is, in China as elsewhere, a passing and not a perpetual phase. We owe it to ourselves, our allies and the Chinese people to do all that we can to contribute to that passing.

If we believed that this passing would be promoted by trade and cultural relations, then we would have such relations.

If we believed that this passing would be promoted by our having diplomatic relations with the present regime, then we would have such relations.

If we believed that this passing would be promoted by some participation of the present regime in the activities of the United Nations, then we would not oppose that.

We should be, and we are, constantly testing our policies, to be as certain as we can be that, in the light of conditions as they from time to time are, our policies shall serve the great purposes to which our nation has been dedicated since its foundation—the cause of peace, justice and human liberty.

Our policies are readily adjustable to meet the requirements of changing conditions. But there are occasions when others, and not we, should provide the change. Nothing could be more dangerous than for the United States to operate on the theory that if hostile and evil forces do not quickly or readily change, then it is we who must change to meet them.

The United States exerts an immense influence in the world today, not only because it is powerful, but because we stand for peace, for national independence and personal liberty. Many free nations seek to coordinate their foreign policies with ours. Such coordination is indeed indispensable if the free world is to have the cohesion needed to make it safe. But United States policies will never serve as rallying points for free peoples if the impression is created that our policies are subject to change to meet Communist wishes for no reason other than that Communism does not want to change. If Communism is stubborn for the wrong, let us be steadfast for the right.

The capacity to change is an indispensable capacity. Equally indispensable is the capacity to hold fast that which is good. Given those qualities, we can hopefully look forward to the day when those in Asia who are yet free can confidently remain free, and when the people of China and the people of America can resume their long history of cooperative friendship.⁶

⁶ On June 28, circular telegram 1007, a joint State-USIA message, was sent to 64 U.S. diplomatic and consular posts to point up the importance of the speech as a major

269. Telegram From the Consul in Hong Kong (Dillon) to the Department of State ¹

Hong Kong, June 29, 1957—6 p.m.

2361. 1. Chou En-lai's 30,000 word speech June 26 ² opening 1957 session National People's Congress is policy statement of major importance. Regime's record since 1949 and its fundamental principles and policies reviewed in five sections entitled socialist revolution, socialist construction, people's livelihood, basic state system, and national and international unity. One striking feature, in marked contrast previous Chou reports, is overwhelming concentration on domestic problems and policies. Only minute fraction devoted to international, including bloc, affairs.

2. Speech constitutes regime's official exposition of counter-offensive against subversive criticism which has been developing since second week June. Various criticisms striking at fundamentals of regime rejected in firm, uncompromising manner. Two lines taken: (a) insistence that achievements of regime are main thing and its mistakes and shortcomings secondary; (b) strong reaffirmation validity and permanence basic features of Communist rule. Key section is fourth, in which Chou makes clear no attempt undermine people's democratic dictatorship under CCP leadership will be tolerated. Any movement in direction Western-style democracy and two or multi-party political system categorically rejected. Dominant position of CCP reaffirmed at length, with Chou terming essential "firm, strong core of leadership by Communist Party in all government institutions, schools, enterprises, and popular organizations" and in effect rebuffing demands for clear division of function between party and government. "Blooming flowers, contending schools" policy given only passing, lip-service mention. Chou reendorsed united front concept, stipulating however that "Communist Party is guiding force and core of united front and common goal of struggle for people of entire country". Fourth section concluded with statement regime welcomed criticism its work, but must be constructive, i.e. posited on acceptance of socialism.

pronouncement of U.S. policy. The keynote of the speech, according to the telegram, was the sentence "if Communism is stubborn for the wrong, let us be steadfast for the right". (Department of State, Central Files, 611.93/6-2857)

¹ Source: Department of State, Central Files, 793.00/6-2957. Confidential. Repeated for information to Taipei, Moscow, Tokyo, and Singapore. Transmitted in two sections.

² Text of this speech is printed in Bowie and Fairbank, *Communist China, 1955-1959*, pp. 300-329.

3. Tone of speech generally harsh, more so in original Chinese. "Rightist" critics said not acting good faith, accused of slandering regime and trying wrench state power from Communist Party and shift country from socialist to capitalist path. "Some individuals or groups who now part of people may become enemy of people if persist anti-socialist position," Chou warned, in concluding section. This accompanied however, by heavy stress on desirability internal unity and by expression hope that "rightists, helped by outside prodding and profiting by own experiences and increased awareness will repent and accept opportunities of remoulding themselves". If small number refuses seize this opportunity and persist in reactionary stand, "they will cut themselves away from people". Not clear how this policy to be translated into action, but while earlier rectification campaign language of "gentle breeze, mild rain" absent, Chou's words suggest regime desires avoid large-scale purge. Of possible significance that Lung Yun, one of leading targets of recent attacks, retains position on NPC presidium.

4. Noteworthy feature of speech is strikingly defensive tone throughout. Can fairly be described as essentially exhaustive refutation of charges of abuses, failures, and basic defects to which regime exposed past few months. As examples, Chou cited and sought move but [*rebut?*] criticism that first five-year plan "bungled", planned purchasing and marketing "been pretty mess", living standards lower than under Kuomintang, high officials are "exploiters", proletarian dictatorship root of bureaucratism, sectarianism and subjectivism. Great pains taken by Chou to refute these criticisms is significant in indicating how strong and widespread recent upwelling of popular dissatisfaction and protest been.

5. In discussing democratic centralism in fourth section Chou admitted central authorities "taken too much into their own hands" in past two years, resulting in rigidity of administration. Following examination of government structure, regime now decided "make suitable readjustments expanding powers local authorities." Bearing in mind intention carry out some decentralization government operations also mentioned at NPC session last June, meaningfulness and importance this statement should not be exaggerated.

6. Bloc affairs and Sino-Soviet relationship received only cursory and incidental coverage. In section on socialist construction five year plan achievements called "inseparable from assistance given us by people and government Soviet Union." Dealing with international unity in last section, Chou argued Hungarian incident had been "deep, useful lesson" to all Bloc countries and resulted in strengthening, not weakening, its unity. Standard line on consolidating unity of socialist camp headed by Soviet Union and based on principles proletarian internationalism and equality among nations reiterated.

7. Treatment of international scene very brief and contains no significant departure from or addition to standard line as expounded, for example, in Chou's March 5 speech to CPPCC. In keeping with general strategy trying isolate United States from allies, argument advanced "in almost all countries dominated by United States there is louder and more insistent demand for putting end to United States control, for adoption of policy of peace and neutrality, and in opposition to aggressive military blocs." In this connection claim made people on Taiwan launched large-scale movement against United States; new propaganda angle injected with argument this occurred immediately following stationing Matador unit on island. "Liberation of Taiwan" by peaceful or other means not mentioned at all.

8. Economic aspects of speech covered in Congtel 2353, June 28.³

Dillon

³ In telegram 2353 from Hong Kong, Dillon summarized the economic aspects of Chou's June 26 speech as follows:

"Chou En-lai June 26 delivered keynote address to National Peoples' Congress. From economic standpoint, speech reaffirmed seriousness over-extension last year and decision to attempt lower rate growth 1957, ease imbalances and rebuild reserves. Speech defensive in tone; contended achievements 1956 far outweighed admitted shortcomings. Also reflected current cautious re-thinking prospects long-range improvement living standards." (Department of State, Central Files, 893.00/6-2857)

270. Despatch From the First Secretary of Embassy in the Republic of China (Lacey) to the Department of State¹

No. 32

Taipei, July 11, 1957.

REF

Embassy Despatch 281, January 11, 1957²

Embassy Despatch 208, November 19, 1956³

SUBJECT

PL-480: ⁴ China Renews Request for More Agricultural Commodities

¹ Source: Department of State, Central Files, 411.9341/7-1157. Confidential.

² In despatch 281, the Embassy reported on a new P.L. 480 request from the Republic of China. (*Ibid.*, 411.9341/1-1157)

³ In despatch 208, the Embassy reported on a request from the Foreign Ministry to purchase soybean oil under P.L. 480. (*Ibid.*, 411.9341/11-1956)

⁴ P.L. 480 was the Agricultural Trade Development and Assistance Act of 1954, enacted July 10, 1954. (68 Stat. 454)

Summary. The Government of the Republic of China has asked United States authorities to reconsider its previous requests for the purchase of more Public Law 480, Title I, surplus agricultural commodities, totaling US\$23.65 million in export value. The Embassy does not believe the request can be justified on the grounds of economic need or of agricultural sales promotion by the U.S.

A very considerable part of the commodities requested—wheat, cotton and barley in the total amount of US\$15.7 million—would actually strain available storage and financing facilities in Taiwan if delivered in the fiscal year 1958 and would complicate further the problems of disposing of large rice stocks.

The Taiwan economy in 1958 could absorb modest amounts of soybean oil, canned lard, tobacco, tallow, and dairy products (totaling some US\$5.2 million in value) and could probably do so without increasing consumption requirements significantly and therefore without increasing the island's dependence upon U.S. aid. Sale of these commodities might help to keep prices down somewhat and doubtless would help appease some Chinese officials who have expressed dissatisfaction with the relatively small amount of PL-480 aid that has been granted to China to date.

However, it has already proven very difficult to develop projects requiring PL-480 derived local currency, which are mutually acceptable to the Country Team, the PL-480 Interagency Committee in Washington and the Chinese Government. In view of the large amounts of local currency that are constantly building up under the regular aid program it will prove even more difficult to find beneficial uses for additional PL-480 proceeds.

[Here follows a five-page analysis of the Chinese request, and five attached enclosures relating to the request, including the text of the May 13 memorandum from the Foreign Ministry to the Embassy conveying the request.]

Lacey

271. Telegram From Ambassador U. Alexis Johnson to the Department of State ¹

Geneva, July 11, 1957—3 p.m.

31. Two hour ten minute meeting this morning.

¹ Source: Department of State, Central Files, 611.93/7-1157. Confidential; Priority; Limit Distribution.

Wang opened with generalized statement attacking "policy of hostility" and "aggressive policy" aimed at overthrowing PRC set forth in Secretary's San Francisco speech² as well as referring stationing guided missiles on Taiwan and plane incident.³ No mention Korea. Policy set forth by Secretary was meeting increasing opposition abroad and in US as well as meeting with defeat as exemplified by recent actions other Western countries concerning embargo. "Even in Taiwan patriotic people have risen in protests against this policy." US proposal of renunciation of force was "deceptive and hypocritical excuse." Then continued with statement on implementation referring previous inquiry on Dr Lin and making statement Tseng Kuang-chi.⁴ Situation with regard to Chinese in US continues to be unsatisfactory.

I replied with long statement along lines paras one and two Deptel 36⁵ as well as making strong counterattack on PRC record of

² See Document 268.

³ Reference is to an intrusion on Chinese airspace on June 12 in the vicinity of Swatow by a sortie of planes launched from the U.S.S. *Hornet*. According to telegram 141949Z from the Chief of Naval Operations to the Commander in Chief, Pacific Fleet, June 14, the intrusion was inadvertent and the planes returned to the *Hornet* once the mistake was evident. One of the planes was damaged by Chinese antiaircraft fire while in Chinese airspace. (Department of State, Central Files, 793.5411/6-1457) Wang characterized the intrusion as part of a "U.S. policy of creating tension and threat of aggression against China" and stated that such a policy could not achieve its ends. (The quote is taken from the full account of the meeting which was conveyed to the Department by pouch as an unnumbered telegram, July 11; *ibid.*, 611.93/7-1157)

⁴ According to the unnumbered telegram cited in footnote 3 above, Wang alleged that Dr. Lin Lan-ying and Tseng Kuang-chih were mistreated and unnecessarily delayed by U.S. authorities before finally being allowed to leave the United States for China. Johnson responded by noting that Dr. Lin had attempted to leave the country with more U.S. currency than the law allowed. She was permitted to leave without the excess currency which was deposited to her credit in a blocked account in an American bank. Tseng Kuang-chih had been a student at several American universities since 1948 and had suffered from mental illness periodically during that time. In March 1956 he had applied for an extension of his stay in the United States, but after being admitted to a mental hospital in Indiana in May 1956 he had expressed a desire to return to China. As soon as he was physically able to do so, and an escort could be arranged for him, Tseng was permitted to return to China.

⁵ Paragraphs 1 and 2 of guidance telegram 36 to Geneva, July 9, read as follows:

"1. Remind Wang one of basic obstacles progress in talks and peaceful discussion and settlement problems threat posed by Communist insistence on use force if necessary.

"This also basic cause of tension Far East, which imposes heavy burden on peoples of area. Essential first step to remove threat and tension is reciprocal renunciation force. Step deserves serious discussion long as necessary to reach agreement. Responsibility cannot be evaded by submitting number of drafts which reflect no serious attempt meet US view, then attempting shift discussion to corollary problems as Wang did year ago.

"2. Tell Wang your trip to US brought home depth concern American people for six prisoners. This ought to be short-run problem which need not require long discussion. Only requires measures promised by Communists in Agreed Announcement. American people cannot understand failure take such measures. FYI We hope that

Continued

hostility toward US, PRC attack on US in Korea, PRC attempts at subversion of and support of rebellion against Asian states friendly to US, etc. Made detailed reply on Dr Lin pointing out that though she attempted take US funds in violation of US regulations she was permitted to proceed. Also made detailed reply on Tseng using material Deptel 40⁶ which much appreciated and most useful. Characterized our handling both Dr Lin and Tseng as most considerate for which we should receive appreciation rather than complaint. Wished problem imprisoned Americans would be handled with same consideration.⁷ Solution problem of imprisoned Americans "would permit US direct undivided attention to question reciprocal renunciation of force which remains fundamental to successful discussion other items under second part our terms reference."⁸

Subsequent give and take largely restatement respective position on renunciation of force. PRC will never agree to any formula which violates its sovereign rights. Many PRC proposals for improvement relations have not raised "response or echo" from US.

No surprises or new developments, line taken by Wang being very much along lines anticipated by Deptel 36. His presentation, though, was largely pro forma and carried no intimation any intention break talks or make new move. At one point when I used term "new departure" in referring to renunciation of force he eagerly picked it up and used it as take-off point for urging new departure by US in talks. He also pointed out both sides agreed Taiwan area tension is fundamental problem. Gave no indication whether he caught my point on willingness continue talks even if all Americans released.

Next meeting August 8. Detailed record by pouch arriving Dept Monday.

[Johnson]

shifting usual order presentation foregoing subjects and emphasizing fundamental nature renunciation force problem and US willingness undertake prolonged discussion if necessary may help counter possible Communist belief that release remaining prisoners would result in prompt withdrawal US from talks. End FYI." (Department of State, Central Files, 611.93/7-957)

⁶ In telegram 40 to Geneva, July 9, the Department reviewed the facts of the Tseng Kuang-chih case. (*Ibid.*, 211.9311/7-957)

⁷ In connection with the remaining American prisoners in China, Johnson reported, in telegram 30 from Geneva, July 11, that he had talked that morning with U.N. Secretary-General Dag Hammarskjöld, who was visiting Geneva. Hammarskjöld discussed coordination of U.N. and U.S. efforts to secure the release of the remaining prisoners in China, and expressed his willingness to approach Peking again on behalf of Downey, Fecteau, and missing military personnel. Johnson indicated that he would convey Hammarskjöld's offer to Washington. (*Ibid.*, 611.93/7-1157)

⁸ Telegram 41 for Johnson from the Secretary, July 10, authorized Johnson, if he deemed it appropriate, to "allow Wang to know, that early release of remaining US civilians would not lead US to break off conversations now going on at Geneva." (*Ibid.*, 293.1111/7-1057)

272. Memorandum From the Deputy Special Assistant for Intelligence (Arneson) to the Secretary of State ¹

Washington, July 17, 1957.

SUBJECT

Intelligence Note: Chinese Communists Answer Secretary's 28 June Speech

Secretary Dulles' 28 June address on China policy has evoked formal and informal response from the Chinese Communists. At the final session of the National People's Congress (Peiping's legislative assembly) on 15 July, Chang Han-fu, a deputy foreign minister, gave what might be described as the regime's formal reply to the Secretary's speech. Meanwhile Chou En-lai has been telling newsmen and visiting delegations that China can wait a hundred years for US recognition and has no need for "friends of Dulles' kind."

Chang Han-fu's speech concentrated on what the Chinese Communists probably consider the Secretary's main arguments against US recognition of Peiping: the record of aggression, the value of US recognition in relation to Peiping's ambitions in Southeast Asia, and the stability of the Peiping regime. Chang charged that the US, not Communist China, was guilty of successive armed aggression. The Korean hostilities and uprisings in Tibet, he charged, were fomented by the US. He claimed that it was not within US power to bar Peiping's contacts with other countries and that the trade embargo actually helped Communist China by bringing about "economic independence" and greater cooperation within the bloc while it harmed the relations between the US and its allies. Chang rejected the notion that criticism by the "rightists" is connected with the regime's stability.

Particularly irritating to the Chinese Communists has been the reference to criticisms of the Communist Party by non-Communists in China as proof of the regime's unpopularity and weakness. A 3 July editorial in *People's Daily* stated that Dulles, like Acheson, based US hopes on "democratic individualists" but that much less could be expected from this insignificant group now than in 1949. The editorial claimed that this group became disillusioned with the US by the publication of the 1949 White Paper, *United States Relations With China*. ²

A similar memorandum has been addressed to the Under Secretary.

¹ Source: Department of State, Central Files, 793.00/7-1757. Confidential. Drafted in the Division of Research for the Far East, Office of Intelligence Research, by Culver, Gleysteen.

² Department of State, *United States Relations With China* (Washington: Government Printing Office, 1949).

273. Memorandum of a Conversation, Department of State,
Washington, July 18, 1957 ¹

SUBJECT

Meeting with Press and Radio Representatives

PARTICIPANTS

The Secretary of State

The Under Secretary of State

P—Andrew H. Berding

FE—Walter S. Robertson

L—Loftus Becker

Mr. Robert Hurleigh, President, American Assoc. of Radio & Television Correspondents

Mr. William Dwight, President, American Newspaper Publishers Assoc.

Mr. Henry Luce, Editor, *Time-Life-Fortune*

Mr. J. Russell Wiggins, Vice President and Executive Editor, *The Washington Post* ²

Mr. Theodore Koop, President, Radio-TV News Directors Assoc.

The Secretary opened the meeting by saying we were thinking of letting a limited number of American correspondents go to Communist China. But general travel was not in the interests of our foreign policy. Treatment of Americans in Communist China had been bad. This Government could not relinquish its responsibility for the protection of Americans.

Legally, we would be on much sounder grounds if we just said no to travel of American correspondents to Communist China. It would be hard to justify exceptions. Newsgathering was supposed to have an exception. But other professions did not recognize this. Representatives of the National Council of Churches have spoken of wanting to send members to Communist China. We were not sure the door could be opened without our being forced to let everybody go in.

We had come to the conclusion that we were willing to let a limited number of correspondents go in—10 to 15, if the press would be willing to share responsibility to decide who those will be. Juridically we were on more dangerous grounds if we tried to pick and choose.

Limitation had occurred in other cases, as in time of war. This situation was analogous, because we were in a state of semi-war with Communist China.

¹ Source: Department of State, Central Files, 911.6293/7-1857. Prepared by Berding on July 22.

² Mr. Wiggins was representing the President of American Society Newspaper Editors. [Footnote in the source text.]

It had been suggested that the correspondents be limited to the agencies which demonstrated their interest and developed an experience in China prior to the take-over.

If that seemed a reasonable basis, and if the newsgathering community would share responsibility for the selection, we would be willing to do so on an experimental basis. If this would lead to the release of Americans now in China, this could lead to enlarging the experiment. If the only result was to induce others to go, and particularly if an adverse court decision was rendered, we would have to call the whole thing off. The experiment would be for six months, then we would review it.

There would be no reciprocity, with Chinese Communists sending news representatives here. We did not recognize the Chinese Communist passport.

The Secretary concluded that we were prepared to think along those lines if the gentlemen present thought it possible to do so.

Mr. Koop asked how many the Secretary thought might want to go, all told. The Secretary said perhaps many thousands.

Mr. Luce wondered whether this could be worked out on the basis of correspondents from organizations now maintaining correspondents abroad at several posts.

Mr. Wiggins thought the number would be limited automatically by various circumstances. An effort should be made to find out how many would like to go.

Mr. Dwight said some organizations not represented in China in 1949 would like to send correspondents.

Mr. Becker explained the legal problems involved in connection with permitting correspondents to go to Communist China.

The Secretary said he was thinking of the right of the American public to be informed. They would be informed of developments in Communist China through a limited group. Opening the door completely would open it also to other professions.

Mr. Hurleigh said there would be an avalanche of applicants from individual TV-radio stations because sponsors of programs would finance the sending of correspondents. There are 2,500 to 3,000 stations. The TV-radio networks would like to have 20 Americans go. These would include sound and film men.

Mr. Berding said there are now 12 American correspondents in Moscow, representing 8 organizations. The radio correspondents there do not have sound and film men with them, but use local facilities.

Mr. Dwight said his organization (ANPA) was opposed to any limitation, believing in the right of American newspapermen to go anywhere. He had confidence in Secretary Dulles, but any limitation could be used against the American people by a future administra-

tion. ANPA would be willing to appeal to newspapers for restraint in sending correspondents to China. The limitation had to be the responsibility of the Department.

Mr. Wiggins said the Government is taking the position that a free flow of news can be limited. He thought the Communist Chinese would not throw the doors open wide to an unlimited number of American newsmen. The Secretary agreed with this last statement. Mr. Dwight asked whether the Department had asked the Chinese Communist Government if they would agree to admit any newspaperman who applied. The Secretary replied, no.

Mr. Robertson said that the Chinese Communists severely restrict the movements of foreign correspondents. The Look magazine men who went in wrote only what the Commies wanted them to about a flourishing agriculture, whereas just a few days later Mao himself had to admit a crisis in agriculture.

The Secretary said we were trying to get the American people adequately informed by 10 to 15 correspondents. We had to stop at that. If the representatives present thought that was worse than nothing, then we would not do it. We were trying to find an opportunity to get the American people better informed. Americans in Communist China were being mistreated. It was not worthy of the dignity of a great nation to let Americans go indiscriminately into that death-trap. In the Secretary's opinion the three news agencies and the three major networks would provide adequate coverage. But if it was necessary to open the gates wide in order to get adequate coverage, there was no use starting at all.

Mr. Wiggins said the news organizations could not let the Government decide how many newspapermen were adequate to cover the news.

The Secretary said if they wanted to stand on principle, then we would stand where we were today, without changing.³

Mr. Wiggins said the news organizations could not share in administering policy because that would make them supporters of the policy.

³ On July 22, Dulles discussed with the President the position taken by the representatives of the news media on July 18:

"The President felt that it would be very difficult to find a stopping point once we started. He felt that perhaps the best thing to do was to stick to the line that until the Americans were released we would not permit any Americans to go in. This was clear and logical. The President said he realized it was pretty difficult to take on the opposition of all the news media. I said, however, that that did not worry me if I was doing the right thing. I explained that we were checking up to see how many actually wanted to go, but I feared that the result would indicate that we would not find it feasible to let any go." (Memorandum of conversation, by the Secretary of State, July 22; Eisenhower Library, Dulles Papers, Meetings with the President)

Messrs. Dwight, Wiggins and Koop then said their organizations were all on record as opposing any limitation, feeling that American correspondents had the right to go anywhere, and that they could not share in a Government policy of limitation. Mr. Hurleigh said his organization was likewise opposed in principle to limitation but it was different from the others in that he was willing to share responsibility in working out a limitation.

The discussion then turned on the need to get further information on the actual demand of American news organizations to send correspondents to China. Mr. Luce thought an allocation of 30 would fill all conceivable demands. It was agreed that Mr. Berding would make a survey of American news organizations which now have at least one full-time American correspondent stationed overseas, and ask each of them by letter whether it wished to send a full-time American correspondent to Communist China on a regular basis for six months or more.

The Secretary dictated the following statement, which Mr. Berding made to the press at the close of the meeting:

There was discussion designed to ascertain whether or not it might be practical to reconcile the views of the newsgathering community as to supplying news from Communist China with the policy views of the State Department with respect to closely restricting travel to Communist China under present circumstances. It developed there was not clear agreement as to the scope of demand for newsgathering facilities within Communist China and it was therefore agreed that efforts would be made by the Department of State to ascertain the facts on this matter before policy decisions were arrived at.

274. Memorandum From the Assistant Secretary of State for Far Eastern Affairs (Robertson) to the Secretary of State ¹

Washington, July 18, 1957.

SUBJECT

Recantation by "Rightists" in Communist China

Some of the leaders of minority political parties in Communist China who had been encouraged by Mao Tse-tung's "hundred flowers" policy to voice criticisms of the regime and who had been denounced for their pains in the simultaneously conducted "rectifica-

¹ Source: Department of State, Central Files, 793.001/7-1857. Drafted in CA by Bennett.

tion" campaign have now recanted publicly. This follows the recent publication of Mao's speech of February 27² in which he made it clear that the "hundred flowers" policy was intended to strengthen the "leading position" of Marxism ideologically and in which he listed six criteria by which word and actions could be judged to be "fragrant flowers" or "poisonous weeds".

The meetings of the National People's Congress were utilized as a forum in which to expose and attack the offending critics of the regime, and before the Congress closed on July 15 several persons accused of "rightist" activity publicly recanted. Most prominent of these were: Chang Po-chun, Minister of Communications; Lo Lung-chi, Minister of Timber Industry; and Lung Yun, Vice Chairman of the National Defense Council (it was Lung who criticized Soviet "aid" policies). Several others have been denounced, including Chang Nai-chi, Minister of Food Industry, and Tseng Chao-lun, Vice Minister of Education.

Meanwhile, Moscow, which had hitherto refrained from expressing a definite opinion on these events in Communist China, has put itself on record as lauding Mao's campaign against the "rightists" in a "Pravda" editorial of July 16. While avoiding specific mention of Mao's doctrine of "contradictions among the people" or his "hundred flowers" policy, the editorial describes the February 27 speech in which these are presented as a "tremendous event in the political life of China" and as developing tenets of "great significance for Marxist-Leninist theory in general". The carefully worded editorial appears intended to demonstrate maximum identity of view between Moscow and Peiping without specifically endorsing any of Mao's theses as being applicable outside of China.

Whether the "rightist" critics will be removed from office or otherwise punished is not clear. A "People's Daily" editorial of July 16 expresses dissatisfaction with the sincerity of some of the confessions but points out that if the offenders truly admit their mistakes and not repeat their misdeeds they may still be rehabilitated. But this same editorial foreshadows possible intensification of the campaign with the observation that a long time and further effort will be required before "complete victory" against the "rightists" is won. The "hundred flowers" appear to be withering rapidly, but it is too early to tell whether they will be forcibly uprooted.

² See Documents 238 and 264.

275. Telegram From Ambassador U. Alexis Johnson to the Department of State ¹

Geneva, August 8, 1957—8 p.m.

138. Two hour and five minute meeting this morning. I opened with long statement reviewing renunciation of force discussions closing this portion of statement with "I am prepared to discuss this vital issue as long as necessary to reach agreement, and when this has been accomplished we can go on to discuss other topics under Agenda Item Two." ² I concluded statement with implementation strongly noting no prisoners released since Dec 1955 prior to completion of sentence and asking him "cite one single measure" taken to carry out Agreed Announcement with respect to remaining six.

His reply on renunciation added up to no further interest or intention on seriously discussing unless and until basic US policy of "hostility" toward PRC changed. ³ "Futile wishful thinking to expect PRC will ever recognize under guise of right of self-defense US occupation Taiwan." "If US not going give up policy of hostility and subversion and aggression against PRC and indulges in empty talk of renunciation of force this can only be termed as a deceiving tactic." He repeated usual charges on implementation alleging Tseng Kuang-chih "always desired to return" and was thrown into mental hospital as "act of reprisal" and to frighten other Chinese students; briefly mentioned Hsiao Chi-mei as example of "detaining funds to discourage return; and Hu Teh-yun who deported from New York March this year and "nearly lost life because serious stomach ailment not properly cared for during his detention."

During course give and take I returned hard to theme Americans had derived no benefit from Agreed Announcement and situation of

¹ Source: Department of State, Central Files, 611.93/8-857. Confidential; Priority; Limit Distribution.

² Johnson was instructed in guidance telegram 148 to Geneva, August 5, to emphasize the renunciation of force issue. "Chinese Communists have been unwilling for over year discuss seriously renunciation of force, having instead shifted discussion to side issues. Renunciation force deserves more serious consideration". (*Ibid.*, 611.93/8-557)

³ In letter No. 72 to Johnson, August 2, Clough indicated that the Department expected Wang to maintain a hard line in the talks:

"We have just received a report from a highly sensitive source to the effect that Mao Tse-tung in his speech of February 27 stated that the most appropriate time to establish diplomatic relations with the United States would be during the third 5-year plan (1962-1967), since the disparity between the two countries in economic power would be considerably reduced by that time. However, he added that the Formosa problem would have to be resolved first. This confirms indications we have received from other sources that the Chinese Communists do not expect any early progress in the direction of formal relations with the United States and are willing to bide their time." (*Ibid.*, Geneva Talks Files: Lot 72 D 415, Geneva, US-PRC Talks, Misc. Docs. 1956-1957)

imprisoned Americans remained same or even worse than situation prior to announcement. His refutation weak and consisted primarily of counter-attacking with respect Chinese in US. "Under circumstances in which Chinese residents in the US continue meet obstructions in departure one cannot demand anything extraordinary" with respect to Americans in China.

Next meeting Sept 12. Full record by pouch leaving Geneva August 10.

[Johnson]

276. Memorandum From the Secretary's Special Assistant for Intelligence (Cumming) to the Secretary of State ¹

Washington, August 8, 1957.

SUBJECT

Intelligence Note: Unrest in Communist China

Since the end of June, the Peiping press and radio have reported that "counter-revolutionary" plots have been unearthed by state security organizations in the provinces of Kwangtung, Kwangsi, Hunan, Hupei, Chekiang, Shantung, Szechwan, and Tsinghai. The alleged plots were said to involve conspirators ranging from CIA and Kuomintang agents equipped with the latest scientific espionage equipment to leaders of superstitious secret sects possessing home-made firearms, magic spears, and miraculous talismans. According to the Communists, the conspirators exploited unrest caused by "certain inadequate measures of the government" (as in relocating peasants from a proposed damsite), dissatisfaction with the results of collectivization, and uncertainty caused by the criticism of the regime that arose after Mao's February 27 call for wider "blooming and contending" in Communist China. The conspirators are being defined as persons who actually took up or plotted to take up arms against the regime, thus maintaining the distinction between "counter-revolutionaries" and the "rightists" who are being attacked for excessive criticism after Mao's speech, but who nonetheless continue to collaborate with the regime in various bureaucratic, academic, and cultural functions.

The sum total of the reported incidents—less than two dozen small plots in eight of Communist China's provinces and major re-

¹ Source: Department of State, Central Files, 793.00/8-857. Confidential. Drafted by Peter W. Colm of OIR/DRF.

gions—almost certainly does not give an accurate picture of the scope and seriousness of unrest in Communist China. In the present second successive year of agricultural disaster in Communist China dissidence and unrest are believed to be virtually nationwide. However, the Communist reports probably do accurately reflect the unorganized haphazard nature of the existing dissidence, which appears to be reflected primarily in spontaneous incidents and in the activities of the scattered semi-religious, semi-bandit secret sects that are endemic in China during periods of economic stress.

Peiping's motive in publicizing the incidents is unclear. The Chinese Communists appear to view the propaganda on "counter-revolutionary" plots as an accompaniment to the concurrent and much more prominent propaganda drive against the "rightist" critics of the regime. The regime may be attempting to intimidate the "rightists," many of whom have not made fully acceptable "confessions," and other potential opponents of the regime. The uncertain and rather tentative propaganda approach to the subject and the absence so far of a *People's Daily* editorial defining the "significance" of the publicized incidents may indicate that Peiping is seeking for a new balance between force and persuasion in the aftermath of the Hungarian rebellion, the repercussions of which continue to be evident in Communist China. It seems clear, however, that the present level of dissidence in mainland China represents no serious threat to the regime's stability or program, particularly since the Chinese Communists have not yet brought their full capability for force and persuasion to bear on the problem.

277. **Memorandum From the Legal Adviser (Becker) to the Secretary of State** ¹

Washington, August 15, 1957.

SUBJECT

China Passport Policy

Following your meeting with the press, ² each news gathering organization maintaining at least one full-time American correspondent overseas was asked whether it wished to send a full-time American correspondent to the China mainland, to be stationed there on a

¹ Source: Department of State, Central Files, 911.6293/8-1557. Official Use Only. Assistant Secretaries Robertson and Berding concurred with this memorandum.

² See Document 273.

resident basis for six months or longer. Twenty-four of these organizations answered in the affirmative. An additional eleven desired to send representatives on a more temporary basis. Three such organizations desire to send a photographer in addition to a correspondent, although correspondents stationed in Moscow have managed to secure such technical services locally. Six negative replies were received.

There is every likelihood that the twenty-four full-time resident American correspondents will be able, adequately, to satisfy the demand for on-the-spot reporting from Communist China and the number is not unreasonably in excess of the fifteen you were prepared to clear at an earlier date. In view of the experience in Moscow, we would not agree that photographers or other technicians are required.

Over forty Americans who attended the Youth Conference in Moscow are now on their way to Communist China, most of them by train. We understand that a number of these "Youth" representatives have contracted to file stories or pictures in connection with their journey, which, as you know, was undertaken despite the letter addressed to them by the Acting Secretary.³ If we are to relax our passport policy with respect to correspondents, it would be grossly unfair to have the news organizations which, on the whole, have respected our policy, scooped by these amateur reporters.

Accordingly, it is recommended that the attached draft press release⁴ be issued and that the organizations shown on the attached list be informed by the fastest possible means.

While I am not opposing this relaxation of our China passport policy, I feel that it must be done in full recognition of the fact that it will become increasingly difficult, if not impossible, to continue a restrictive policy on travel by United States citizens to Communist China, regardless of profession or purpose. As you well know, the

³ Telegram 144 to Moscow, August 12, conveyed the text of a letter from the Acting Secretary to be distributed to those Americans attending the Youth Conference who were considering an invitation to visit the People's Republic of China. The letter outlined the reasons why the Department felt that "it is not consistent with the policy of the United States, as approved by the President, that citizens of the United States travel to the areas of China under Communist control". The letter warned that if passport restrictions on travel to China were ignored, "at the first possible opportunity your passport will be marked valid only for travel for direct return to the United States and your passport will be taken up when you do so return". The letter also warned that "travel to and in Communist China at this time may well involve violation of the regulations issued and enforced under the Trading with the Enemy Act, which constitutes a criminal offense under our law". (Department of State, Central Files, 800.46/8-1257) Despite the warning, the Embassy in Moscow reported in telegram 319 on August 14 that 45 Americans had departed from Moscow for China that day. (*Ibid.*, 800.46/8-1457)

⁴ Not found attached. See Document 279.

law does not distinguish between the rights under the First Amendment of the working press and those of other American citizens. Even if it be recognized that a limitation in numbers is legitimate, it is doubtful whether the press has the legal right to preempt all of the slots.

278. Memorandum of a Telephone Conversation Between the President and the Secretary of State, Washington, August 21, 1957¹

Re Red China—about a week ago he [the President] saw Mrs. Downey² and repeated to her what we have said on making the release of prisoners a condition precedent for sending in newsmen. Now we say we stick to principle but violate it a little bit. The Sec said we are saying in the statement perhaps they will get info re the prisoners. The Sec said he did not realize the Pres was so committed and told of his talk with Hagerty yesterday.³ The Pres said no one has suggested we would change that policy. The Pres explained he does not mean to say we should not but if we do he would like some way to talk about it. The Sec said to say the matter is being actively studied and the Sec will talk it over with the Pres today. Nothing public has been done except some weeks ago to find out the factual situation re the people wanting to go we sent out a questionnaire and 24 want to go. Yesterday a cable⁴ went out to give advance notice to our friends but that is not public.

¹ Source: Eisenhower Library, Dulles Papers, White House Telephone Conversations. Prepared by Phyllis D. Bernau.

² The mother of John Downey, one of the six remaining American prisoners being held in the People's Republic of China.

³ A transcription of the August 20 telephone conversation between Dulles and White House Press Secretary James Hagerty, also prepared by Phyllis Bernau, reads as follows:

"Re American correspondents to Red China—the Sec is prepared to move. H said Berding spoke to him. The Sec mentioned trying to get the Pres to clear it finally with him—H said he did not think it necessary. The Sec said we would like to send word to our friends in the FE 24 hours in advance though we would not do it until Thursday." (Eisenhower Library, Dulles Papers, White House Telephone Conversations)

⁴ Circular telegram 152, August 20, was sent to London, Rangoon, Djakarta, Tokyo, Seoul, Manila, Taipei, Bangkok, Saigon, New Delhi, Karachi, Wellington, Canberra, Singapore, and Hong Kong to give advance notification of the press release summarized in the editorial note, *infra*. (Department of State, Central Files, 911.6293/8-2057)

279. Editorial Note

On August 22 the Department of State issued a press release which stated, in part, that the Secretary of State had determined "that it may prove consistent with the foreign policy of the United States that there be travel by a limited number of American news representatives to the mainland of China in order to permit direct reporting by them to the American people about conditions in the area under Chinese Communist control." Twenty-four newsgathering organizations had indicated an interest in stationing a correspondent in China on a resident basis for 6 months or longer. The Department of State accepted "that this number comes within the intent of the Secretary's determination" and was prepared to issue a passport authorizing travel to mainland China, on an experimental basis, to one correspondent from each of the newsgathering organizations. The passports would be validated for a period of 7 months and the correspondents involved were warned that those traveling to mainland China "do so knowing that they face abnormal personal risks due to the failure of the Chinese Communist regime to treat American citizens in accordance with the accepted code of civilized nations." The United States would not, it was emphasized, "accord reciprocal visas to Chinese bearing passports issued by the Chinese Communist regime." The release concluded with the statement that, generally speaking, "it is still not consistent with United States policy, or lawful, that there be travel by Americans to areas of China now under Communist control." The press release included a list of the 24 organizations authorized to send correspondents to China. (Department of State *Bulletin*, September 9, 1957, pages 420-421) The press release had been approved by the President on August 21. (Memorandum from Dulles to Eisenhower, August 21; Eisenhower Library, Dulles Papers, White House Memoranda)

In a discussion of the press release on August 20 by the Secretary and senior advisers from L, P, FE, and SCA, Dulles observed that the climate of opinion conditioning the United States approach to China was changing, and he anticipated that policy would have to change with it:

"The Secretary then noted that no one in Congress has supported our past policy regarding the travel of correspondents to Communist China. He also suggested the time is approaching when we must treat Communist China on the same basis we treat the Soviet Union. We have nearly reached this situation with regard to trade. Even when the US did not recognize the USSR, he noted, the US permitted travel to and trade with the Soviet Union. The difference in the case of Communist China, however, is that American citizens are being held in prison there and the Communist Chinese regime has refused to renounce the use of force, particularly with regard to

Taiwan." (Memorandum of conversation, prepared by Donald R. Toussaint of S/S, August 21; Department of State, Central Files, 993.6211/8-2157)

On August 26 the People's Republic of China responded to the United States announcement. In an article in the *People's Daily*, the Department of State decision to permit a limited number of American correspondents to travel to China was rejected as "completely unacceptable." The newspaper charged that the decision had discourteously ignored the principle of reciprocity in ruling out the granting of visas to Chinese correspondents. (The *People's Daily* article of August 26 is quoted from and analyzed in the *New York Times*, August 26, 1957.)

280. National Intelligence Estimate ¹

NIE 43-2-57

Washington, August 27, 1957.

THE PROSPECTS FOR THE GOVERNMENT OF THE REPUBLIC OF CHINA ²

The Problem

To estimate the strengths, weaknesses, and prospects of the Government of the Republic of China, with particular reference to its staying power.

Summary and Conclusions

1. The Government of the Republic of China continues to hold as its central objective the recovery of power on the mainland. In fact it controls only Taiwan, the Penghus, and a few islands lying off the coast of China, and it holds its international position primarily because of US diplomatic support. It is able to support its present mili-

¹ Source: Department of State, INR-NIE Files. Secret. NIE 43-2-57 superseded NIE 43-56, October 9, 1956. For the conclusions of NIE 43-56, see Document 213.

² According to a note on the cover sheet, "The following intelligence organizations participated in the preparation of this estimate: The Central Intelligence Agency and the intelligence organizations of the Departments of State, the Army, the Navy, the Air Force, and The Joint Staff." All members of the Intelligence Advisory Committee concurred in this estimate on August 27, except for the Atomic Energy Commission representative and the Assistant Director, Federal Bureau of Investigation, who abstained because the subject was outside of their jurisdiction.

tary establishment and the economy of Taiwan only with substantial US assistance.

2. The National Government remains politically stable and the economy of Taiwan continues gradually to improve. The military establishment is growing stronger, but Nationalist forces alone could not defend their territories against a full-scale Chinese Communist attack.

3. The staying power of the Republic of China will be determined by the ability of Nationalist leaders to adjust to life on Taiwan, by developments within Communist China, and particularly by the policies of the US. Major setbacks in Communist China or the Communist world would raise Nationalist morale and strength of purpose. However, developments interpreted by Nationalist leaders as indicating that the US was losing interest in supporting the National Government and that Communist China was gaining international prestige and internal strength and stability would foster divisive and defeatist tendencies in Taiwan. The death of President Chiang would probably be followed by a period of domestic uncertainties and a weakening of the government's stability. Communist China's admission to the UN would result in marked deterioration of the morale of Nationalist leaders.

4. Given continued US support, the National Government will probably maintain its position on Taiwan, although its international position will deteriorate. Continued emphasis on the objective of return to the mainland, however, would increase the need for US aid to prevent economic degeneration, particularly in view of the population growth expected over the next decade. In this situation there would be increased frustration and defeatism, especially among middle level elements, and there might be increased susceptibility to Communist inducements.

5. On the other hand, if a new generation of leaders in time were to accept a "two Chinas" arrangement and if they came to concentrate on long-term economic development, the island might become economically viable and morale tend to improve. In any event, US military guarantees and assistance would have to continue and economic aid would be required for the development of export industries.³

³ Inserted inside the cover sheet of NIE 42-2-57 is a supplementary memorandum dated September 3 which reads as follows:

"Pursuant to action by the Intelligence Advisory Committee at its meeting on 3 September 1957, the following is to be inserted as a footnote to paragraph 5, page 2, of subject estimate:

"1. The Special Assistant, Intelligence, Department of State, believes paragraph 5 should read as follows:

Discussion

Current Situation

6. The Republic of China on Taiwan remains politically stable, its military establishment is growing stronger,⁴ and the economy of the island continues modestly to improve. However, this appearance of well-being tends to be misleading. The Republic of China cannot survive without US support. Its position as the legal government of China is being increasingly threatened by Communist China. Its leaders are not satisfied with their prospects on Taiwan and continue to hold to the return to the mainland as a major objective, although many of them probably believe that the chances of attaining this objective are remote. Worries over their future, resentment over US lack of support for return to the mainland, and apprehension as to future US intentions toward Communist China have combined to

"On the other hand, if a new generation of leaders in time come to place major emphasis on long term economic development, the island's economic prospects would improve, morale would be sustained, and the staying power of the GRC would be strengthened. In any event, US military guarantees and assistance would have to continue and economic aid would be required for the development of export industries."

On September 20, Assistant Secretary Robertson sent a memorandum to the Secretary which outlined FE's objections to the conclusions of NIE 43-2-57 and to the assumptions upon which they were based:

"The recently approved NIE on 'The Prospects for the GRC' (Tab A) presents a distorted picture of the present situation of the GRC and makes a number of questionable forecasts.

"The most serious of these questionable forecasts is the allegation in paragraphs 4 and 5 that continued emphasis by the GRC on return to the mainland would lead to economic degeneration and declining morale, while, if a new generation of leaders were to 'accept a two-Chinas arrangement,' this would lead to economic viability and improved morale. This prediction ignores the fact that the hope of return to the mainland is an important element in morale on Taiwan, and is a key part of the very rationale of the GRC. The GRC could not abandon this hope, or acquiesce in a 'two-Chinas' arrangement, without relinquishing its claim to be the government of all China, and in fact ceasing to be the GRC, as that entity now figures in our policy. Such a change could not be made without very serious consequences. It is a dubious thesis that final acceptance by the GRC of Communist control of mainland China would lead to improved morale among the mainlanders on Taiwan or that continuation of economic progress on Taiwan is contingent on GRC acquiescence in abandonment of the mainland. State dissented from this line of reasoning and recommended alternative wording for paragraph 5 (reproduced on separate sheet at front of NIE).

"Another fundamental defect in the paper is an implicit assumption throughout much of the discussion of future developments, including long-term trends, that there will be no political crisis on the mainland of China severe enough for the GRC to again become an important factor in mainland developments. Any forecast extending over a generation, as parts of this one do, should not reject this possibility.

"The paper also suffers from the absence of clear indication of the time period to which it is intended to apply. It shuttles back and forth from short-term to long-term predictions in a confusing manner." (Department of State, S/S-NSC Files: Lot 63 D 351, NSC 5503 Series)

⁴ Military questions are discussed at length in Appendix A. [Footnote in the source text. Appendix A is attached but not printed.]

produce a mood of frustration and concern among many Nationalist officials.

7. Throughout eight years on Taiwan the top Nationalist leadership, and particularly Chiang Kai-shek, has held firmly to the objective of a return to the mainland as the *raison d'être* of the National Government. The Generalissimo is apparently concerned over the long-term pull of the mainland on his followers, and in addition believes that to abandon the objective of return would be a betrayal of his obligations to the people of China now enslaved by a foreign ideology and culture. Chiang has apparently not given up hope that the return would be realized in his lifetime. His own appraisal of developments of the past year, in the Bloc generally and in Communist China specifically, has almost certainly raised his estimate of the chances of a return. He may well read into current Communist difficulties on the mainland the early signs of that reaction against "alien rule" that his interpretation of Chinese history tells him is inevitable. The Generalissimo's faith in the return will probably remain even though current troubles on the mainland fail to attain serious proportions and even if there is no apparent prospect of major hostilities between the US and the Chinese Communists. Furthermore, whatever the actual chances of a return, he will almost certainly continue to believe that it is essential to proclaim the objective in order to maintain morale and a sense of national purpose among his followers.

8. However important it may be for Nationalist morale to hold out promise of return, the continued emphasis on this theme in propaganda and policy constitutes a major vulnerability in the Nationalist position on Taiwan, if, as we believe likely, the realistic chances of a return are slim. The problem of finding constructive employment for Taiwan's large numbers of educated and talented men is becoming increasingly serious. They are not able to utilize fully their talents on Taiwan, and are constantly subject to skillful appeals from the mainland to come home with honor to contribute to the building of "new" China. It is particularly with respect to mainlanders who are middle level officials, younger army officers, white collar workers, and intellectuals that indications of dissatisfaction have been in evidence. This group represents a potentially serious morale problem and a target for Communist subversion.

9. To date Communist efforts to subvert and to induce defections have had little success. The security measures of the National Government appear adequate to prevent any threat to the stability of the government. In addition, recent events on the mainland have somewhat lifted Nationalist spirits, particularly the current repression of the "rightist" nonparty figures which undercuts Communist attempts to persuade Nationalist leaders and officials that they can

become important "democratic personages" in Communist China. However, it is impossible to estimate whether or to what extent frustration and the appeal of the mainland have undermined the loyalties of some Nationalists.

10. President Chiang Kai-shek, still vigorous at 70, continues to be the dominant figure in the government and the ruling Kuomintang. The chief political rivals at present, under the Generalissimo, are Ch'en Ch'eng, the constitutional successor to the presidency, and Chiang Ching-kuo, the elder son of President Chiang. The latter has acquired considerable power from his close relationship with his father and from his control of important elements within the secret police, the Political Department of the Army, the KMT Youth Corps, and the secondary levels of the Kuomintang organization. His growing power has been somewhat circumscribed, however, by distrust of him engendered by his long training in the USSR and his association with police activities.

11. The most striking event of the past year was the 24 May riot and the sacking of the US Embassy. We believe this incident did not reflect the existence in Taiwan of intense anti-Americanism, but did demonstrate resentment against what many Chinese believed to be a miscarriage of justice. The reaction was intensified by the existence of deep-seated frustrations and injured national pride. Although some officials probably knew that a demonstration was planned and some advantage was taken of the situation, the pillage of the Embassy was probably not premeditated. There was a long delay in controlling the mob after the demonstrations turned to violence, reflecting seriously on the ability of the government to take prompt action in the event of an emergency situation.

12. With US diplomatic support, the Republic of China continues to maintain its formal international position. The Nationalists gained from the hardening of world opinion toward the Bloc because of recent events in Hungary and the Middle East. Saudi Arabia, Paraguay, and Liberia have agreed to exchange ambassadors with the National Government, and Jordan may soon follow suit. Pressure, however, continues in favor of Communist China's entry into the UN, and increases for further lowering of CHINCOM trade barriers. Moreover, Nationalist prestige has declined somewhat in Asia, and the National Government has lost face with the Overseas Chinese because of its inability to defend their interests in specific situations in Southeast Asia.

13. The current US aid program on Taiwan has contributed to significant economic improvement but the economy is still far from self-sustaining. The reorganized National Government has provided a reasonably strong and effective administration under which it has been possible to employ US aid deliveries efficiently. Productive in-

vestment has been limited, but has yielded a rather sizable increase in output through the rehabilitation of existing fixed plant and increased imported raw materials, much of which was made available through US aid. As a result, the economy has continued to expand during the past year, but at a decelerating rate. Taiwan's GNP in 1957 will be about seven percent higher than in 1956, and about 72 percent higher than in 1951. However, the apparent economic progress is seriously overshadowed by the increasing pressure on resources, and inflationary forces continue to grow despite continued large scale US aid. Two basic problems plague the economy of Taiwan. One is the huge military establishment which is made necessary by defense requirements and by the objective of returning to the mainland. The other basic problem is that with limited natural resources the population is increasing at the rate of about three percent per annum, and government and social attitudes are hostile to any measure designed to control population growth.

Outlook

14. The prospects of the Republic of China will continue to depend critically upon US policies. Provided US military, economic, and diplomatic support continues at present levels, the National Government for the next few years will probably be able to maintain its position on Taiwan, prevent serious internal discontent, and promote some economic development. In the short term, the international status quo of the Republic of China can probably also be maintained with US support. Over the longer run, however, the international position of the Republic will probably deteriorate.

15. The Nationalist leaders will continue to be highly sensitive to US actions and statements which appear to affect the degree of US support of the National Government of China. There will be an increasing conviction that the US will eventually come to some arrangement with Peiping that will be to the detriment of the Republic of China. While fully recognizing Nationalist China's dependence upon the US, Nationalist leaders will probably seek to exploit what they consider to be US strategic and political interests in Taiwan by attempting to gain US support on their own terms.

16. Nationalist leaders recognize the threat that incidents such as the 24 May sacking of the US Embassy present to Sino-US cooperation, and will probably take firm measures to prevent another such occurrence. However, there will probably be an increase in incidents manifesting frustrations and latent anti-Americanism, although we believe that open expression of such sentiments will not reach a dangerous pitch in the near future.

17. Beyond the next few years, economic prospects for Taiwan are poor, because of the rapid population growth and because Na-

tionalist leadership does not consider seriously the possibility of a protracted exile on Taiwan. If present Nationalist policies continue with respect to military priority, economic development, and population control, Taiwan will have little if any hope of becoming economically viable over the long run and will gradually require increased outside assistance to maintain present economic levels. On the other hand, a fundamental change in these policies would improve Taiwan's chances for economic viability.

18. So long as President Chiang remains in power no substantial change in Nationalist policy is likely to occur. Should he die prior to the expiration of his present term of office in 1960, Vice President Ch'en Ch'eng would probably succeed to the presidency without provoking internal disturbances. Ch'en would probably attempt to continue the Generalissimo's policies, but would probably be a less effective leader. Moreover, Ch'en's authority would probably be contested by the Generalissimo's son, Chiang Ching-kuo, with adverse effects upon Nationalist morale and cohesion.

19. As Chiang and other senior officials eventually retire from the scene, the National Government will probably display more flexibility of policy. The majority of the new leaders would probably in time accept a "two Chinas" arrangement, provided the continued military defense of Taiwan was assured and there seemed to be some economic hope for Taiwan. They would probably remain skeptical of Chinese Communist promises, although certain Nationalists might come to believe that they could make a successful deal with Peiping. If some high-level defections occurred, there would be great danger that blocs of followers might go over en masse to the Communist cause.

20. Serious unrest on the mainland or a major Communist setback of some kind in China would greatly spark the morale of the Nationalists. They would probably begin to make active preparations for landings on the continent, and would exert pressure on the US to underwrite an invasion. They would probably not launch an actual attack without assurances of US support or at least acquiescence, unless the Nationalists believed that the difficulties on the mainland had assumed such proportions as to threaten the existence of the Peiping regime.

21. Any change in US policy suggesting a reduction of US support for the Republic of China would have highly adverse effects on morale. US efforts to obtain a Nationalist withdrawal from some of the offshore islands, increased US official contacts with the Chinese Communists, or US failure to actively oppose Chinese Communist membership in the UN would be viewed with alarm as moves toward formal US acceptance of "two Chinas." Large cuts in US military or economic aid would have serious repercussions, whether or

not the Nationalist military establishment and economy could sustain the reductions. Particularly if accompanied by seeming indications of a relaxation of US anti-Communist policies, such cuts would undermine morale to a point that might make maintenance of stability by the National Government difficult. The problem would be aggravated by the Government's reluctance to accept economic reasons for cutting its military establishment. The difficulties caused by the above contingencies might increase anti-Americanism and the susceptibility of the Nationalists to Communist propaganda. Some defections might occur. It is possible that in an extreme situation the Nationalists might attempt to embroil the US in war by launching an attack on the mainland, but we regard such a development as unlikely.

22. However, provided most Nationalist leaders remained convinced that US defense of Taiwan was assured, we believe that, despite the strains mentioned above, they would accept the situation and become reconciled to the economic and psychological problems of a Taiwan future.

23. The admission of Communist China to the UN would be a serious psychological blow to the National Government. In the Nationalist view it would signify world acceptance of Communist victory in China, US unwillingness or inability to prevent this acceptance, and a consequent further weakening of prospects for a Nationalist return. While it would accelerate the forces of deterioration, we believe that for the immediate future there would be no collapse of National Government authority.

24. The long-term staying power of the Republic of China will be determined by the policies of the US, by developments within Communist China, and by the ability of Nationalist leaders to adjust to life on Taiwan. Indications that the US was losing interest in supporting the National Government, and that Communist China was gaining international prestige and internal strength and stability, would accelerate divisive and defeatist tendencies on Taiwan. Major setbacks or persistent terrorism on the mainland would raise Nationalist morale and purpose. Continued emphasis on the objective of return to the mainland would lead to political frustration and would require increasing levels of US support to prevent economic collapse. Conversely, a limiting of political ambitions to the horizons of Taiwan and a concentration on long-term economic development might make the island politically and economically viable, though it would still need some US support.

[Here follow Appendix A, a three-page assessment of the military services of the Republic of China; Appendix B, tables listing the Republic of China's external accounts and key economic indicators for the 1951-1957 period; Appendix C, lists of the countries main-

taining or in the process of establishing relations with either the Republic of China or the People's Republic of China; and a military map of Taiwan, the offshore islands, and the adjacent provinces on the mainland.]

281. Memorandum From the Executive Secretary of the National Security Council (Lay) to the National Security Council ¹

Washington, September 9, 1957.

SUBJECT

U.S. Policy Toward Formosa and the Government of the Republic of China

REFERENCES

A. NSC 5503 ²

B. Memo for NSC from Executive Secretary, subject: "Report by the Interdepartmental Committee on Certain U.S. Aid Programs", dated December 5, 1956 ³

C. NSC Actions Nos. 1312-e ⁴ and 1624-c ⁵

D. NIE 43-2-57 ⁶

The enclosed draft report on the subject, prepared by the NSC Planning Board pursuant to NSC Action No. 1624-c, is transmitted herewith for consideration by the National Security Council at its meeting on Monday, September 23, 1957.

Also enclosed, for the information of the Council, are the following: ⁷

¹ Source: Department of State, S/S-NSC Files: Lot 63 D 351, NSC 5503 Series. Top Secret. Copies were also sent to the Secretary of the Treasury, the Director of the Bureau of the Budget, the Chairman of the Joint Chiefs of Staff, and the Director of Central Intelligence.

² See vol. II, Document 12.

³ Not printed. (Department of State, S/S-NSC Files: Lot 63 D 351, NSC 5610 Series)

⁴ See vol. II, Document 26, footnote 10.

⁵ NSC Action 1624-c was taken at the 301st meeting of the NSC on October 26, 1956, during discussion on a "Report by the Interdepartmental Committee on Certain U.S. Aid Programs". This action "directed the Planning Board to review the scope and allocation of military and non-military foreign aid, for Korea, Pakistan, Turkey, Iran and Taiwan on a priority basis, and recommend to the NSC appropriate revisions in existing policies which will take fully into account the political implications of such revisions, the economic considerations presented in the Report by the Interdepartmental Committee on Certain U.S. Aid Programs, and the military advice presented by the Joint Chiefs of Staff in the reports referred to above".

⁶ *Supra*.

⁷ Annexes A, B, and C are attached but not printed.

Annex A: "Summary Statement of Current Military and Economic Programs for Taiwan", of which the Financial Appendix is a part.

Annex B: "Economic Problems and Program in Taiwan" (prepared by the Department of State), with comments thereon by the Treasury Department.

Annex C: "Defense of Formosa" (pertinent extracts from Public Law 4, 84th Congress, January 29, 1955).

Such revisions in NSC 5503 as are adopted and approved, after consideration of the enclosed report, will be incorporated in a new statement of policy to supersede NSC 5503 and NSC Action No. 1312-e-(2).

James S. Lay, Jr.

[Enclosure]

REPORT BY THE NSC PLANNING BOARD TO THE NATIONAL SECURITY COUNCIL ON THE REVIEW OF U.S. POLICY TOWARD FORMOSA AND THE GOVERNMENT OF THE REPUBLIC OF CHINA

1. Pursuant to Council direction (NSC Action No. 1624-c), the NSC Planning Board has reviewed our existing policy toward Formosa and the Government of the Republic of China (NSC 5503, approved January 15, 1955). This review has been made against the background of the Report by the Interdepartmental Committee on Certain U. S. Aid Programs (NSC 5610, August 3, 1956⁸), the report of the Joint Chiefs of Staff on the Taiwan force levels (December 5, 1956), the OCB Progress Report on Taiwan (July 3, 1957⁹), the San Francisco speech of the Secretary of State on U.S. policies toward Communism in China (June 28, 1957¹⁰), and NIE 43-2-57, "The Prospects for the Government of the Republic of China", dated August 27, 1957.

2. The Planning Board has prepared and there is attached as Annex A, an up-to-date summary statement of current military and economic programs for Taiwan, together with a Financial Appendix covering the period through FY 1960.

⁸ Not printed. (Department of State, S/S-NSC Files: Lot 63 D 351, NSC 5610 Series)

⁹ Not printed. (*Ibid.*, NSC 5503 Series)

¹⁰ Document 268.

Missions of GRC Forces

3. In the Planning Board discussion, question arose as to the interpretation of the missions of the GRC armed forces, as stated in paragraphs 3 and 13 of NSC 5503:

"3. Continued development of the military potential of GRC armed forces (a) to assist in the defense of Formosa and the Pescadores and (b) to take action in defense of the GRC-held off-shore islands, equipped and trained to contribute to collective non-Communist strength in the Far East and for such other action as may be mutually agreed upon under the terms of the Mutual Defense Treaty."

"13. Continue military assistance and direct forces support for the GRC armed forces to enable them to assist in the defense of Formosa and the Pescadores, to take action in defense of the GRC-held off-shore islands, and so equip and train them as to enable them to contribute to non-Communist strength in the Far East and for such other action as may be mutually agreed upon under the terms of the Mutual Defense Treaty."

4. The two differing interpretations of the missions were as follows:

a. NSC 5503 was intended to limit the missions to defense of Taiwan, the Penghus, and the off-shore islands. That the GRC forces contribute to non-Communist strength in the Far East is only a by-product of these missions and not a separate and distinct mission justifying *additional* build-up of GRC forces. The intent of NSC 5503 was to oppose the development of GRC forces to conduct offensive operations against mainland Communist China (paragraph 11).

b. NSC 5503 was not intended to effect a basic change in the missions of GRC forces, and such missions continue to include, as separate and distinct missions in addition to defense, (1) contributing to the non-Communist deterrent to aggression and to the collective defense against aggression in the Far East, and (2) being prepared to conduct offensive operations outside Taiwan, the Penghus, and the off-shore islands, as an element in this contribution.

5. The Planning Board understands that the Department of State and the Joint Chiefs of Staff have interpreted NSC 5503 as indicated in paragraph 4-b above, for the following reasons:

a. The language of paragraph 11 of NSC 5503 leaves the door open for the use of GRC forces offensively in mainland China if the President should so decide. The new language was intended to reflect the President's decision of September 28, 1954,¹¹ suspending "for the time being" large-scale raids on Chinese Communist territory, authorized by paragraph 10 of NSC 146/2,¹² but was not intended

¹¹ For a discussion of the President's decision, see the memorandum by Cutler, September 26, 1954, *Foreign Relations, 1952-1954*, vol. xiv, Part 1, p. 661.

¹² NSC 146/2, "United States Objectives and Courses of Action With Respect to Formosa and the Chinese National Government", November 6, 1953, *ibid.*, p. 307.

to eliminate for all time the possibility that GRC forces might be used offensively (for example, in the event of renewal of aggression in Korea). The exchange of notes related to the Mutual Defense Treaty also leaves the way open for such actions with U. S. agreement.

b. GRC forces are in fact a key element in the non-Communist collective military strength in the Far East. Paragraph 22, which calls for encouraging development of a Western Pacific collective defense arrangement, constitutes recognition of their importance. The GRC forces are a standing threat to the Chinese Communist flank, reducing the likelihood of Chinese Communist aggression elsewhere in the Far East. They are a more valuable potential military instrument than other non-Communist Asiatic forces because, used against the mainland, they would have a powerful political as well as military effect.¹³

c. The Mutual Defense Treaty, to which reference is made in the statement of missions in NSC 5503, obligates the GRC to develop its capacity to resist armed attack against any of the island territories of the United States in the Western Pacific, and such other territories as may be determined by mutual agreement.

6. In order to clarify the missions of the GRC forces, the State representative suggests rewording paragraphs 3 and 13 of NSC 5503 as follows:

"3. Continued development of the military potential of GRC armed forces (a) to assist in the defense of Formosa and the Pescadores; (b) to take action in defense of the GRC-held off-shore islands; (c) to take such other action as may be mutually agreed upon under the terms of the Mutual Defense Treaty; and (d) to contribute to collective non-Communist strength in the Far East."

"13. Continue military assistance and direct forces support for the GRC armed forces to enable them to assist in the defense of Formosa and the Pescadores, to take action in defense of the GRC-held off-shore islands, to take such other action as may be mutually agreed upon under the terms of the Mutual Defense Treaty, and to enable them to contribute to collective non-Communist strength in the Far East."

7. The Bureau of the Budget representative believes that paragraph 4-a above is the correct interpretation, and that accordingly GRC force levels and personnel strengths should be reviewed on that basis. The following reasons were advanced by the Bureau of the Budget representative:

a. An interpretation of U.S. policy such as set forth in paragraph 4-b would state an unrealistic objective. Even though the GRC armed forces have received substantial U.S. support in recent years, they are incapable without U.S. intervention of defending even their own territory. Changing strategic concepts together with the problem

¹³ The CIA Adviser questions the intelligence basis for the last two sentences of paragraph 5-b. [Footnote in the source text.]

of increasing age (now averaging over 35 years for the mainland Chinese) and lack of technical preparation of the Chinese forces, will further reduce the possibility of a contribution beyond that of assisting in defending their own territory. The experience of the past decade has indicated that there would be practical difficulties in the utilization of the Chinese forces elsewhere in Asia. The increasing ratio of Formosans (now over one-third) in the GRC forces will decrease the readiness of the forces to fight elsewhere.

b. Perpetuation of the assumption that the Chinese forces have a basic capability and mission beyond the defense of their own territory continues to lead to diversion of U.S. resources into programs running counter to prudent U.S. advice and inhibits the attainment of other U.S. objectives with respect to Taiwan, including progress toward self-support.

GRC Force Levels and Personnel Strengths

8. Under the foregoing interpretation by the State and JCS representatives of the missions of the GRC forces, the position of the JCS representative was that the force levels and personnel strengths of the GRC forces as now constituted were necessary from a military point of view. The State representative, in accepting this judgment, stated that these forces were also necessary from a political and morale point of view.

9. Among the factors bearing on reduction of GRC force levels which were considered but rejected by the State and JCS representatives in the Planning Board, were:

a. *The possibility that the provision to GRC forces of some modern conventional weapons, and the introduction into Taiwan of US-manned dual-purpose weapons, which are necessary to meet changes in Chinese Communist capabilities, could reduce GRC force requirements.* As an example, reference was made to the US-manned Matador unit introduced in May 1957. The parallelism of the Korean case was also argued.

In response, it was argued that the Korean case is quite different from that of Taiwan. The Korean Government is in its homeland and can accept the concept of a primarily defensive military establishment. The Chinese Nationalists are exiles from their homeland and it is difficult for them to accept a primarily defensive concept. As to the introduction of the Matador flight in May 1957, it is considered that such introduction will have no effect on GRC force levels.

b. *The possibility that the US-GRC Mutual Defense Treaty (under which we are bound to go to Taiwan's aid if she is attacked) reduces the requirements for GRC forces.* This, it was felt, might be of particular significance in view of the great importance of naval and air capabilities, which the United States must largely supply, in the defense of GRC territories against an attack by Communist Chinese forces.¹⁴

¹⁴ U.S. forces based on or operated from Taiwan and U.S. forces in the area which might be available in the event of a full-scale Chinese Communist attack on Taiwan and the Penghus are listed in Section II of the attached "Summary Statement of Current Military and Economic Programs for Taiwan". [Footnote in the source text. The attachment cited is not printed.]

In response it was argued that the Treaty commits the United States to assist only in the defense of Taiwan and the Penghus. By an Executive understanding with the Senate, a "Minute of Agreement" under the Treaty is required if defense of the off-shore islands is included. The GRC must therefore undertake to defend these islands. (106,000 GRC ground forces are stationed in the off-shore islands.) Furthermore, the Treaty is a mutual defense arrangement and the GRC is committed to aid the United States if its Western Pacific territories are attacked.

c. The advancing age of members of the GRC forces born on the mainland requires the GRC to recruit an increasing percentage of native Taiwanese in the armed forces. (The proportion is about one-third at present, and will probably not go beyond 42% for the next two to three years. Beyond that date the ratio will climb steadily for an indefinite period.) The GRC fears that induction of Taiwanese will reduce the efficiency of its forces for offensive action against the mainland because of the lack of interest in such an operation on the part of the Taiwanese. Also, the Taiwanese are said to dislike the mainlanders. Thus, it was suggested that the GRC may soon be faced by a dilemma—either to eliminate the military objective of return to the mainland, or gradually to cut the overall size of their forces in order to retain a satisfactory ratio between the Taiwanese and mainlanders.

In response, it was argued that under the interpretation of the missions of GRC forces in paragraph 4-b above, return to the mainland was not the U.S. goal. Attitudes of the Taiwanese toward the mainlanders were said to be improving. The Taiwanese are good fighting men, and there are no grounds for the conclusion that forces with a large Taiwanese component would be unreliable in the roles envisioned in the proposed amendment of paragraph 3 of NSC 5503.

d. Reduced resources of the United States for defense efforts overseas. It was argued that the cost to the United States of maintaining members of the GRC armed forces is among the lowest in the Free World.

Other Proposed Changes in NSC 5503

10. The Planning Board suggests the following change in paragraph 10 of NSC 5503, in order to broaden the clause "through United Nations action", and to conform to the text of Public Law 4 (84th Congress, January 29, 1955): ¹⁵

"Seek to preserve, through United Nations action if appropriate, the status quo of the GRC-held off-shore islands. Provide to the GRC forces, military equipment and training to assist them to defend such off-shore islands, using Formosa as a base. U.S. forces will be used to assist the Chinese Nationalists to defend the GRC off-shore islands from Chinese Communist attacks whenever the President judges that such attacks are parts of, or definite preliminaries to, attacks against the main positions of Formosa and the Pescadores."

¹⁵ See Annex C. [Footnote in the source text. Annex C is attached but not printed.]

The adoption of the foregoing paragraph would supersede NSC Action No. 1312-e-(2), January 21, 1955:

"e. Agreed that, pending either evidence of de facto acquiescence by the Chinese Communists in the U.S. position regarding Formosa and the Pescadores or action by the United Nations restoring peace and security in the general area, the U.S. should, with appropriate use of U. S. armed forces: ¹⁶

• • • • •

"(2) For the purpose of securing Formosa and the Pescadores against armed attack, assist the Chinese Nationalists to defend the Quemoy Islands and the Matsu Islands from Chinese Communist attacks so long as such attacks are presumptively made by the Chinese Communists as a prelude to attack upon Formosa and the Pescadores."

11. The Planning Board suggests the following revision of paragraph 15:

"Encourage and assist the GRC, through such means as off-shore procurement and technical advice, to maintain on Formosa selected arsenals and other military support industries."

12. The representative of the Bureau of the Budget proposes that there be added to paragraph 17 of NSC 5503, the underlined portion reproduced below:¹⁷

"17. Show continuing U. S. friendship for the GRC and the Chinese people, while avoiding any implication of an obligation to guarantee the former's return to power on the mainland; *however, make clear to the GRC that—except in the event of substantial change in the world situation or of conditions on the mainland of China—our future military and economic assistance programs will not be premised on the assumption of the GRC's return to power on the mainland.*"

13. The Planning Board suggests that throughout NSC 5503 the words "Taiwan" and "Penghus" be substituted for the words "Formosa" and "Pescadores".

14. The Planning Board carefully examined all other provisions of NSC 5503, particularly paragraph 14 (covering coordinated military planning with the GRC), paragraphs 18, 26, and 27 (covering social, economic, political, and fiscal reforms), and paragraph 22 (covering a possible Western Pacific collective defense arrangement), but suggested no change at this time in any of these paragraphs.

[Here follow the annexes noted in the covering memorandum from Lay to the National Security Council.]

¹⁶ The following ellipsis appears in the source text.

¹⁷ Printed here as italics.

282. Telegram From the Acting Consul General in Hong Kong (Dillon) to the Department of State ¹

Hong Kong, September 11, 1957—4 p.m.

425. Herter-Richards trip. From Herter. Have had session with 14 American news, radio and television correspondents here this morning who are awaiting hopefully some break so that they can get into Communist China. As you may imagine, they are in a most unhappy frame of mind particularly since they feel that the no reciprocity statement in your original announcement ² was intentionally so phrased as to invite refusal for their admission. At present moment they are most concerned with mechanics of possible applications from Communist China for admission Chinese newspapermen to United States and seem very hopeful that if such mechanics can be overcome United States Government will permit entry of such newspapermen to United States.

They seem confused on two matters and have been queried on these by Communist press representative BIQ Hong Kong. The first is some definition with respect to reciprocity and the second with criteria which the Chinese newspapermen would have to meet in order to qualify for entry into United States. With respect to first question have made quite clear to them that reciprocity with respect to group admission to United States impossible under our law and that each application must be passed upon separately. With respect to second have told them that while I was in no position to outline criteria assumed that United States Government would not consider any application except from bona fide press representatives known to be professional full-time reporter Chinese paper.

One correspondent asked me if I would approve invitation by American press to small group genuine Communist China press representatives come to United States as possible mechanism for breaking log jam. This was off record and I assured him that I could give no official approval such suggestion but personally see no objection this being done on their own responsibility. All of correspondents feel that for propaganda purposes it would be valuable have clearer definition from you on meaning of reciprocity as well as some indication we do not fear what a few Chinese correspondents which might be admitted to United States would report from United States. Apparently correspondents waiting here have been subjected to considerable ribbing by local Communist reporters and are presently in unhappy mood of frustration.

¹ Source: Department of State, Central Files, 110.12-HE/9-1157. Confidential.

² See Document 279.

I think session was worthwhile but of course could do little to counter attitude of frustration except repeat that burden now on Chinese Communist government.

Will send report on Hong Kong separately after departure.³
Best.

Dillon

283. Telegram From Ambassador U. Alexis Johnson to the Department of State¹

Geneva, September 12, 1957—noon.

235. One hour twenty five minute meeting this morning mostly devoted to correspondents. Wang proposed and I rejected draft Agreed Announcement (full text by separate telegram²). Under this PRC and USA "agreed to give permission, on an equal and reciprocal basis, for correspondents" to enter the respective countries. In rejecting I made exact statement in para 3 of Deptel 244³ including last

³ In telegram 251 from Taipei, September 13, Herter described his September 10-12 visit to Hong Kong as "delightful but not too productive". The visit did reinforce, however, "our previously held view that Hong Kong is extremely valuable listening post". (Department of State, Central Files, 110.12-HE/9-1357)

¹ Source: Department of State, Central Files, 611.93/9-1257. Confidential; Niact; Limit Distribution.

² The text of the draft Agreed Announcement proposed by Wang Ping-nan, as transmitted to the Department in telegram 234 from Geneva, September 12, reads as follows:

"Ambassador Wang Ping-nan, on behalf of the Govt of the People's Republic of China, and Ambassador U.A. Johnson, on behalf of the Govt of the United States of America, agree to announce:

"The Govt of the People's Republic of China and the Govt of the United States of America agree to give permission on an equal and reciprocal basis, for correspondents of the other side to enter their respective countries for news coverage in order to promote the mutual understanding between the peoples of China and the United States". (*Ibid.*)

³ In paragraph 3 of guidance telegram 244 to Geneva, September 10, Johnson was instructed:

"If Wang raises question reciprocity re newsmen, remind him this reversal his position year ago when he stressed Chinese Communist invitation US newsmen not conditioned on reciprocal US action. If they now desire exclude American correspondents, that entirely matter their choice. If Wang requests assurances US will admit specific group of Chinese Communist newsmen or other exchange arrangement, advise him applications individuals will be accepted at any American Foreign Service post and considered on merits, like any other application." (*Ibid.*, 611.93/9-1057)

Johnson wrote of the meeting, in letter No. 59 to Clough, September 12, that "after these long months we again had a little excitement". Johnson added that he was glad to learn, from his phone call to the Department after the meeting, that "everyone

sentence. At close of meeting Wang stated they were going to release text draft Agreed Announcement but did not indicate timing.

Wang opened with long statement in hard tone referring to my "general repetition of worn-out arguments" at last meeting and general attempt to place blame for lack of progress on PRC, "consistently hostile attitude" of U.S. and leading into correspondents by reference to cultural exchange proposal September 22, 1956. ⁴ "In spite of US obstacles" Stevens, Harrington and Worthy came to PRC and "completed their press coverage". In spite of obstacles [obstacles?] US youth delegation had also entered PRC and were being "warmly welcomed and with an abundance of good will". "Does not this show that no official ban can prevent Chinese and American peoples from showing their demand for better contacts". After nearly a year US had on August 22 under great pressure given permission certain number of correspondents visit PRC. "In same breath statement in entirely unreasonable terms refused accord reciprocal visas to Chinese newsmen. Subsequent statements have not altered this". US August 22 statement set tasks for US correspondents in PRC and thus ulterior motive and US undisguised attempt interfere in PRC internal affairs all too clear. None could conceive PRC would accept August 22 statement which disregards reciprocity and equality. PRC believes exchange visits of correspondents is a practical and concrete step to improving Sino-American relations and therefore proposes agreed announcement. Text meets need for equality and reciprocity.

In reply I "found it astounding" that he had "entirely reversed" position he had taken last year when he had stressed PRC was not asking reciprocity for admission correspondents. Also under US laws and regulations impossible to assure reciprocity. Therefore in light these two facts statement reciprocity included August 22 statement. Also found it astounding that he now characterized entry of US correspondents many of whom were same men to whom they had previously extended invitations as undisguised interference their internal affairs. However, if they now desire exclude US correspondents that entirely matter their choice. PRC has not previously raised question of reciprocity nor has any PRC correspondent applied for admission to US. "If any journalist from your country desires to enter the US he is entirely free to make application to any foreign service post for

agreed that I had done right by immediately turning down his proposal rather than temporizing on it in any way until next meeting". Johnson felt that if the Chinese "were really intelligent, from their standpoint, instead of just attempting to act clever, they would now give visas to a few Americans, have a few Chinese apply to us, and then indicate they were waiting to see what we did before acting on the other American applications". (*Ibid.*, Geneva Talks Files: Lot 72 D 415, Geneva, US-PRC Talks, Misc. Docs. 1956-1957)

⁴ See footnote 5, Document 210.

a visa and it will be considered on its merits just the same as any other visa application". "I am not in a position to enter into any agreement or understanding with you any more than I am with any other government that a full and equal number of correspondents be admitted to the US or that any particular individual will be granted admittance to the US. Neither do we make any such demand from your side. It is entirely up to your own decision as to whether you wish to admit any individual or any number of individuals". Purport his subsequent statement was that Department's statement on reciprocity in August 22 statement had entirely altered nature of questions and closed door on exchange visits of correspondents. Responsibility lies entirely with US.

I reiterated substance para 3 Deptel 244 and said that I expected they would consider application visas accordance their laws and regulation in same manner as US would do and that I would not attempt dictate their action any more than I would accept dictation from them our actions. If they decided refuse visas correspondents could not in any way shift responsibility to US. That was their own decision.

Full report of meeting follows by telegram. ⁵

Next meeting October 10.

[Johnson]

⁵ Transmitted to the Department in telegram 240 from Geneva, September 12. (Department of State, Central Files, 611.93/9-1257)

284. Telegram From the Ambassador in the Republic of Korea (Dowling) to the Department of State ¹

Seoul, September 16, 1957—5 p.m.

245. Herter-Richards trip. ² From Herter. Left Taipei for Okinawa 16 hours ahead of schedule because typhoon in vicinity and moving toward Taipei. However Ambassador Richards remained behind and will probably be rejoining us in Tokyo.

¹ Source: Department of State, Central Files, 110.12-HE/9-1657. Secret; Priority; Limit Distribution.

² The Herter-Richards party arrived in Taipei the afternoon of September 12. The conversation with President Chiang, summarized in this telegram, took place in the President's office on September 14. Ambassador Richards remained in Taipei until September 17.

Excellent briefing by military staff produced unanimous conclusion from Admiral Doyle other military leaders, namely, that situation Taiwan could not remain stationary and that unless moves were made soon situation would inevitably deteriorate. Specific moves were not discussed although military opinions coincided very closely with briefing given by Admiral Stump in Hawaii. Second definite conclusion by staff was that our own policy to differentiate with respect protection Formosa and off-shore islands no longer valid. Government of Taiwan completely committed to protecting off-shore islands up to point where every available man and ship would be mobilized to protect islands leaving Taiwan completely unprotected in event attack on these islands. Accordingly defense of islands would be essential to defense of Taiwan.

Had dinner with President and Mme. Chiang which while most cordial without substantive matter. However at President's request visited him at his office before leaving hurriedly and am recording conversation which took place in detail. Foreign Minister Yeh acted as interpreter and Ambassador Rankin and Mme. Chiang were likewise present. Regret length this cable but believe conversation should be reported as accurately as possible at this time for sake of record. Following taken from detailed summary complete version of which will be forwarded by despatch.³

"The President explained that he had requested the interview because he hoped that the Under Secretary would carry with him to Secretary Dulles and to President Eisenhower the general outline of his views of the current situation in China and of what the GRC and the US should do about it. It was his intention to leave discussion of details to subsequent conversations with Ambassador Rankin but he hoped briefly to present a general summary.

"The President noted that since May of this year there had been a decided turn of events on the China mainland. He thought these developments were very significant and it was important that we take due note of them.

"President Chiang recalled that last December after President Eisenhower's re-election he, Chiang, had sent a personal letter⁴ to Mr. Eisenhower, expressing the hope that the President, on the threshold of his second term, would be able to pay particular attention to the

³ Despatch 195 from Seoul, September 16, transmitted to the Department a full record of the conversation as prepared by Rufus Smith of FE who was traveling with the party. In despatch 178 from Taipei, September 24, Ambassador Rankin sent to the Department a copy of a memorandum of the conversation which had been prepared by President Chiang's Secretary, James Shen, and edited by Madame Chiang and Foreign Minister Yeh. (Despatches 195 and 178 are in Department of State, Central Files, 110.12-HE/9-1657 and *ibid.*, Conference Files: Lot 62 D 181, CF 902, respectively.)

⁴ Document 219.

problem of liberation of the "captive peoples" of the world and that President Eisenhower would prove to be a "Lincoln" to the captive peoples of Asia. He had pointed out the deteriorating situation on the mainland. He had said it was his view that a "Hungary situation" might well develop on the mainland but would be on a much larger scale than in Hungary.

"He had later received a personal reply ⁵ from President Eisenhower, in which the President had taken note of the changes taking place inside the Soviet and the Communist world in general which indicated a tendency toward uprisings against Communist regimes. President Eisenhower had noted that once these movements gained a foothold it would be difficult for the Communist world. President Eisenhower had said that he thought military measures were not appropriate at that time but had suggested that other means of pressure should be brought by the free world on the Communist world.

"Since last autumn, President Chiang continued, anti-Communist movements have developed in Sinkiang, Tibet, and Mongolia. The GRC had kept vigilant watch over these developments but the rest of the world had paid little attention. Now, since May, these anti-Communist movements had become almost faits accomplis and had forced the Communists to take drastic action.

"The '100 flowers' and the 'rectification' programs were results of these developments. The US should now reappraise its China policy and should take account particularly of the psychological aspect, since these captive peoples look upon the US as the leader of the free world and as their ultimate liberator. He hoped the US realized the opportunities which now present themselves, however challenging they may be, and appreciated the serious repercussions for the GRC and the US if we let this movement die down.

"The Under Secretary remarked that he was not quite clear whether the President thought the degree of discontent and unrest has now reached a peak from which it was likely to recede in the future.

"President Chiang replied that there was no question that the opposition to the Communist regime on the mainland was very widespread. In fact, it was ubiquitous and was not confined to the schools and the intellectuals but had spread to the farm cooperatives, the labor unions and even inside the Communist party itself. It was difficult to say whether a peak had been reached but it was certain that if no demonstration came from the countries outside the Communist world and if no assistance were given by them, then the movement would die out. However, if the people were given to understand that the free world stands by them, it would be an entirely

⁵ See Document 227.

different matter. The President remarked that he was convinced the Communist press was reflecting only a small portion of the actual unrest.

"The President said he was fully aware that the GRC and the US have a mutual defense treaty supplemented by an exchange of notes regarding the use of force. The GRC did not want to do anything to violate the understandings which had been reached between the two governments and would not undertake large-scale military action without consulting the US. Obviously, the GRC would need the full backing of the US if it were to undertake such action. However, it is vital that the GRC maintain its standing with regard to the captive peoples. The people behind the Communist curtain understand that the GRC cannot mount a large invasion, but if the GRC does nothing by other means to take advantage of the present state of affairs, then the people behind the bamboo curtain, the overseas Chinese, and the world in general would lose confidence in the GRC and respect for it. President Chiang stressed that unless the GRC were to give some help, some 'ultra mural' assistance then the position of the GRC, and of the US as well, would be threatened, since the peoples on both sides of the curtain would lose confidence in them.

"President Chiang said he had never been fooled by Communist propaganda. By far the great majority of the people on the mainland are still friendly toward the US, more friendly indeed than to any other Western country. They regard the US as the only country which can 'bail them out' and can help them. But if the US takes no action (he said he had in mind 'indirect' action), then he feared that the overseas Chinese and the 10 million Chinese on Taiwan, as well as those behind the curtain, would inevitably lose confidence in the US.

"In reply to a question by Ambassador Richards, President Chiang summed up his view as follows: The US and the GRC should take a more aggressive attitude toward the mainland, even if this were short of actual invasion.

"The President remarked that while he did not wish at the moment to go into details, he nevertheless had some specific ideas. In fact, toward the end of last year the GRC had handed the US a plan involving paratroopers,⁶ a plan which would cost only 1/10 of last year's military aid to the GRC. The President noted that even as early as last year he had been predicting the present unrest on the China mainland and had worked out a plan of action.

"President Chiang hoped very much that the US would agree in principle to study the GRC's plans, and to support them, for organiz-

⁶ See footnote 3, Document 198.

ing guerrilla action on the mainland and for means which would tend to organize the resistance there. The Under Secretary asked whether the President, in expressing this hope, was speaking of the paratrooper plan or of a more general course of action.

"President Chiang replied that the paratrooper plan, which he had discussed with Admiral Stump and Ambassador Rankin, was a preliminary step in the direction he intended. That plan was essential but was only a start.

"President Chiang commented that he knew the US Government has worldwide commitments and that its attention was, thus, diffused. He therefore thought that perhaps the present situation on the mainland was not fully appreciated in Washington. It was for this reason that he took the present opportunity to have this message carried personally to President Eisenhower and Secretary Dulles. He hoped that Under Secretary Herter would feel, in carrying the message to Washington, that he was performing an act of humanity on behalf of the millions of captive peoples.

"The Under Secretary assured the President on behalf of himself and Ambassador Rankin that the message would be fully conveyed.

"President Chiang said that as a first step in implementing his policy he had produced the plan of last December and still hoped that consideration could be given the plan, which was not ambitious and was within the capabilities of the US and the manpower resources of the GRC. The President remarked that he realized that in the normal administrative handling of affairs of state, Secretary Dulles and President Eisenhower would probably not have an opportunity to read his plan. He was therefore calling Under Secretary Herter's attention to it and hoped that speedy consideration could be given it and that the details could be discussed between the experts of the two nations.

"Madam Chiang pointed out that the plan, while modest, provides an essential beginning.

"Ambassador Richards commented that he thought President Chiang was too modest and that he felt certain the plan would receive the personal attention of President Eisenhower and Secretary Dulles.

"President Chiang expressed his regrets that typhoons necessitated an earlier departure from Taipei than the Under Secretary's party had originally expected. The Under Secretary expressed great appreciation for the President's time and courtesy. He said he would be in touch with Ambassador Rankin and that President Chiang's plan would be given prompt consideration."

Will wire reactions Okinawa soon. Best.

[Dowling]

285. Telegram From the Acting Secretary of State to the United States Mission at the United Nations ¹*Washington, September 17, 1957—6:02 p.m.*

265. Your 852 April 30. ² Department's 53. ³ Ambassador should approach Secretary General at suitable opportunity and inform him US Government would appreciate his writing personal letter Chou En-lai behalf Downey and Fecteau as he previously indicated he willing to do. ⁴ Affirm US position they entitled repatriation under Korean Armistice Agreement. At your discretion also make following points: At time of capture, Department of Army civilian employees Downey and Fecteau were on mission for UN Command which directly connected with war effort. Reason their repatriation not sought during Panmunjom negotiations is Communists failed to disclose capture until November 1954. Subsequent release four fighter pilots and 11 airmen, followed by Geneva Agreed Announcement of September 10, appeared hold promise their "expeditious" release. Continued failure Chinese Communists honor September 10, 1955 pledge makes new approach necessary. Chinese Communists tacit acknowledgment Downey and Fecteau belong in prisoner of war category illustrated by fact Chou discussed cases with Secretary General in January 1955, also by inclusion Downey, Fecteau in list of Americans Wang presented Ambassador Johnson at Geneva August 2, 1955, ⁵ under heading "American Military Personnel who Have Committed Crimes."

Although Downey and Fecteau were accused of espionage, this in no way differentiates them from eleven fliers, who were accused of same crime and yet released. ⁶

Murphy

¹ Source: Department of State, Central Files, 611.95A251/4-3057. Secret. Drafted in CA by Alward and Osborn; approved by Clough; and cleared with FE, UNP, IO, NA, L, and Defense.

² In telegram 852 from USUN, Ambassador Lodge reported that he had discussed with the Secretary-General a possible approach to Chou En-lai on behalf of Downey and Fecteau. Hammarskjöld indicated that he was willing to make such an approach, but he was concerned not to interfere with the U.S.-Chinese talks at Geneva. (*Ibid.*)

³ Telegram 53 to USUN, July 18, repeated telegram 30 from Geneva, July 11; see footnote 7, Document 271. (Telegram 53 to New York is in Department of State, Central Files, 611.93/7-1157.)

⁴ See footnote 7, Document 271.

⁵ See footnote 2, Document 4.

⁶ In telegram 423 from New York, Ambassador Lodge reported that, as instructed, he had requested that the Secretary-General address a letter to Chou En-lai on behalf of Downey and Fecteau. Hammarskjöld returned a note to Lodge indicating that he would send the requested letter immediately. (Department of State, Central Files, 611.95A251/9-2657)

286. Memorandum of Discussion at the 337th Meeting of the National Security Council, Washington, September 23, 1957¹

Present at the 337th Council meeting were the President of the United States, presiding; the Vice President of the United States; the Secretary of State; the Acting Secretary of Defense; and the Director, Office of Defense Mobilization. Also present were Mr. Fred C. Scribner for the Secretary of the Treasury; the Acting Director, Bureau of the Budget; the Special Assistant to the President for Disarmament; the Special Assistant to the President for Atomic Energy; the Acting Director, International Cooperation Administration; the Federal Civil Defense Administrator; the Director, U. S. Information Agency; the Counselor, Department of State; Assistant Secretary of State Robertson; Assistant Secretary of Defense Sprague; . . . ; the Chairman, Joint Chiefs of Staff; the Director of Central Intelligence; Special Assistants to the President Cutler and Dearborn; the White House Staff Secretary; Mr. Bryce N. Harlow, Administrative Assistant to the President; the Executive Secretary, NSC; and the Deputy Executive Secretary, NSC.

There follows a summary of the discussion at the meeting and the main points taken.

[Here follows discussion on items 1, "Special Report on Indonesia", and 2, "Tenth Anniversary of the National Security Act of 1947".]

3. *U. S. Policy Toward Formosa and the Government of the Republic of China* (NSC 5503; Memo for NSC from Executive Secretary, subject: "Report by the Interdepartmental Committee on Certain U.S. Aid Programs", dated December 5, 1956; NSC Actions Nos. 1312-e-(2) and 1624-c; NIE 43-2-57;² Memos for NSC from Executive Secretary, subject: "U. S. Policy Toward Formosa and the Government of the Republic of China", dated September 9 and 19, 1957³)

Mr. Cutler pointed out that Secretary Dulles had requested that the National Security Council not act at this meeting on the changes

¹ Source: Eisenhower Library, Whitman Files, NSC Records. Top Secret; Eyes Only. Drafted by Gleason on September 24.

² The first five items cited here are cited in the same order in footnotes 2-6, Document 281.

³ For the September 9 memorandum, see Document 281. The September 19 memorandum from Lay to the NSC is a covering memorandum enclosing a September 17 memorandum from the Joint Chiefs of Staff to the Secretary of Defense. In their September 17 memorandum, the Joint Chiefs of Staff reviewed the "Draft Report on U.S. Policy Toward Formosa and the Government of the Republic of China", which

in the policy on Formosa proposed by the NSC Planning Board, because he wished to talk first with Under Secretary Herter, who had just returned from the Far East. On the other hand, Secretary Dulles agreed that Mr. Cutler should present the Planning Board report at this time because, as Mr. Cutler said, this would provide time for thinking about the two big problems in the Planning Board paper before the Council acted at its next meeting. Accordingly, Mr. Cutler briefed the Council in considerable detail on the Planning Board report and the Annexes thereto. (A copy of Mr. Cutler's briefing note is attached to this memorandum,⁴ and a copy is also filed in the minutes of the meeting.)

At the end of his presentation of the report, Mr. Cutler asked Secretary Dulles and Mr. Allen Dulles whether they wished to make any comments at this time, but both indicated that they would withhold comment until the next meeting.

*The National Security Council:*⁵

a. Noted the draft report on the subject, prepared by the NSC Planning Board pursuant to NSC Action No. 1624-c and transmitted by the reference memorandum of September 9, 1957; in the light of the views of the Joint Chiefs of Staff transmitted by the reference memorandum of September 19, 1957.

b. Deferred action on the above-mentioned draft report until the next meeting of the Council.

[Here follows discussion of items 4, "Significant World Developments Affecting U.S. Security", and 5, "U.S. Policy Toward Italy".]

S. Everett Gleason

was prepared by the NSC Planning Board on September 9, and found it to be generally acceptable:

"1. The Joint Chiefs of Staff have reviewed the subject draft report, prepared by the NSC Planning Board for consideration by the National Security Council at its meeting on 23 September 1957. The Joint Chiefs of Staff consider that the existing policy toward Formosa and the Government of the Republic of China (GRC) (NSC 5503) as written is, in general, adequate from a military point of view. The Joint Chiefs of Staff are in agreement with the interpretation of the missions assigned to the armed forces of the GRC as stated in paragraph 4b of the draft report. In this connection, the Joint Chiefs of Staff consider that the suggested rewording of paragraphs 3 and 13 of NSC 5503, as stated in paragraph 6 of the draft report, is preferable, in their opinion, since it clarifies the apparent ambiguity of missions.

"2. The changes to paragraphs 10 and 15 of NSC 5503, as suggested in paragraphs 10 and 11, respectively, of the draft report, are acceptable from a military point of view.

"3. Subject to the foregoing, the Joint Chiefs of Staff recommend that the existing statement of policy toward Formosa and the Government of the Republic of China, NSC 5503, be retained." (Department of State, S/S-NSC Files: Lot 63 D 351, NSC 5503 Series)

⁴ Attached but not printed.

⁵ The following paragraphs constitute NSC Action No. 1790, approved by the President on September 25. The record copy of NSC Action No. 1790 is in Department of State, S/S-NSC (Miscellaneous) Files: Lot 66 D 95.

287. Memorandum of Discussion at the 338th Meeting of the National Security Council, Washington, October 2, 1957 ¹

Present at the 338th NSC meeting were the President of the United States, presiding; the Vice President of the United States; the Secretary of State; the Secretary of Defense; and the Director, Office of Defense Mobilization. Also present were the Secretary of the Treasury; the Director, Bureau of the Budget; the Special Assistant to the President for Disarmament; the Acting Director, International Cooperation Administration; the Director, U.S. Information Agency; the Chairman, Council of Economic Advisers (participating in Item 1); Assistant Secretary of State Walter S. Robertson (for Item 2); James P. Richards, Special Assistant to the President (for Item 2); the Deputy Secretary of Defense; the Counselor, Department of State; the Chairman, Joint Chiefs of Staff; the Director of Central Intelligence; Special Assistants to the President Cutler and Dearborn; the White House Staff Secretary; the Executive Secretary, NSC; and the Deputy Executive Secretary, NSC.

There follows a summary of the discussion at the meeting and the main points taken.

[Here follows discussion of item 1, "U.S. Gold Reserves and the Growth of U.S. Foreign Liabilities"]

2. *U.S. Policy Toward Formosa and the Government of the Republic of China* (NSC 5503; Memo for NSC from Executive Secretary, subject: "Report by the Interdepartmental Committee on Certain U.S. Aid Programs", dated December 5, 1956; NSC Actions Nos. 1312-e-(2) and 1624-c; NIE 43-2-57; Memos for NSC from Executive Secretary, subject: "U.S. Policy Toward Formosa and the Government of the Republic of China", dated September 9 and 19, 1957; NSC Action No. 1790 ²)

In view of the length of his briefing of the Council on this subject at last week's Council meeting, Mr. Cutler's briefing note (which is included in the minutes of the meeting) was somewhat shorter in length. He also pointed out that Secretary Dulles had requested a delay in the Council action last week in order to ascertain the opinions of Under Secretary Herter and Mr. James P. Richards, Special Assistant to the President. He then called on Secretary Dulles.

Alluding to the fact that Under Secretary Herter and Mr. Richards had recently been in the Far East, Secretary Dulles said that the State Department had asked Mr. Richards in particular to study the

¹ Source: Eisenhower Library, Whitman File, NSC Records. Top Secret; Eyes Only. Drafted by Gleason on October 3.

² See footnote 5, *supra*.

situation on Taiwan in order to get a fresh appraisal of the effectiveness of our policies there. Accordingly, Secretary Dulles asked if Mr. Richards might speak first and give his impressions, after which he, Secretary Dulles, would like to make further comments.

Ambassador Richards indicated that he had stayed over on Taiwan for a longer period than Secretary Herter, in order to look more thoroughly into the situation on the island. From all the evidence that he, Mr. Richards, could find, he had come to the conclusion that it would be disastrous now to change our present policy with respect to Taiwan, though he said he did not know the precise limitations with respect to available appropriations for carrying out our policy in Taiwan. If, because of such limitations, any reductions have to be made in our assistance to Taiwan, such reductions should be made in a world-wide context and in terms of the Congressional Resolution (Public Law 4, ³ 84th Congress). The Nationalists, continued Mr. Richards, had urged on him the view that discontent in mainland China might offer the opportunity for armed intervention by the Nationalists at some future time. Mr. Richards thought that we should take this view into account, as well as taking heed of the general situation in the Far East. Again he said it would be disastrous everywhere else in free Asia, and particularly in Southeast Asia, if the United States drastically changed its policies in Taiwan.

Whether in fact the Generalissimo will ever be able to return to the mainland was certainly a question. Nevertheless, if there was even one chance in ten of his successfully doing this, the United States should be in a position to take advantage of the opportunity.

At the conclusion of Mr. Richards' comments, Secretary Dulles spoke again. He first stated that Secretary Herter had asked him to report to the Council that he was fully in accord with the view that we should not change the missions of the GRC armed forces on Taiwan. Secretary Dulles continued that it was his own view that it would be a major disaster to our whole position in the Far East if we did change these missions. Secretary Dulles said it was not for him to state that we must agree to maintain certain GRC force levels, but certainly we should not change the missions of the GRC armed forces. Particularly, we should not change these missions by cutting out reference to the possibility of a Nationalist return to mainland China. It was indeed only this hope of a return to mainland China that sustains morale on Taiwan, even if the hope was remote.

Secretary Dulles then pointed out that the general situation from the U.S. point of view is quite different in Asia than in Europe. The Western European countries are much more solid in depth and strength, both militarily and otherwise. In Asia, on the other hand,

³ See vol. II, Document 56.

only a series of small island and peninsula positions separate the United States from Communist positions in depth on the continent of Asia. The reason these small island and peninsula countries maintain their will to freedom is because of their hope that Communist China will one day blow up. Nor was this to be thought altogether a forlorn hope, as Hu Shih had recently pointed out in his address before the United Nations. What had happened in Hungary and Poland could conceivably happen in Communist China. If a blow-up occurred, Chinese Nationalist troops might find the great opportunity which they had been seeking. While we can all have our own views as to the likelihood that such things will come to pass, the fact remained that the Chinese Nationalists believe that this chance may be offered, and it is precisely this belief that sustains them in their resistance to Communism. If, by changing our policies, we destroy that Chinese Nationalist hope, we will at the same time destroy the capacity of the Chinese Nationalists for the defense of Taiwan itself. Beyond this, such a change in our policy would mean the abandoning of our whole Far Eastern position.

The President said that this was beginning to sound a little academic to him. Were we talking about reducing the GRC force levels on Taiwan?

Secretary Dulles undertook to explain to the President what the issues were. Mr. Cutler followed with a fuller explanation, in terms of the past history of our policies toward Taiwan. He cited paragraph 3 of existing U.S. policy toward Formosa, which set forth the missions of the GRC armed forces as follows: ⁴

"3. Continued development of the military potential of GRC armed forces (a) to assist in the defense of Formosa and the Pescadores and (b) to take action in defense of the GRC-held off-shore islands, equipped and trained to contribute to collective non-Communist strength in the Far East and for such other action as may be mutually agreed upon under the terms of the Mutual Defense Treaty."

Mr. Cutler then explained that the difference in interpretation of this paragraph derived from disagreement as to whether the contribution of the GRC armed forces to collective non-Communist strength in the Far East and for such other action as might be mutually agreed upon under the terms of the Mutual Defense Treaty, constituted separate and distinct missions, or were merely by-products of the first two missions of assisting in the defense of Formosa and in the defense of the GRC-held off-shore islands.

The President replied that this was not what he was asking about. Here in the Council we were writing a policy for ourselves,

⁴ The following is paragraph 3 of NSC 5503, vol. II, Document 12.

and we do not have any obligation to tell all about it to Chiang Kai-shek. What the President said he was after was the actual effect of our language, because he emphatically agreed with the State Department on the danger of destroying Nationalist hopes of an ultimate return to the mainland. This, of course, did not mean that we were obliged to tell the Chinese Nationalists everything else that we have in our mind about them.

At this point Secretary Dulles broke in to state that this was precisely the intention of the sentence proposed by the Bureau of the Budget in the proposed revision of paragraph 17 of NSC 5503, where it is suggested that we "make clear to the GRC that—except in the event of substantial change in the world situation or of conditions on the mainland of China—our future military and economic assistance programs will not be premised on the assumption of the GRC's return to power on the mainland."

Mr. Cutler explained the basis for the Budget's point of view as expressed above, and also called attention to the argument of the State Department representative on the Planning Board that we are already telling the Chinese Nationalists what the Budget proposes that we tell them in the Budget revision of paragraph 17.

Speaking with emphasis, the President said he heartily disagreed with the revision of paragraph 17 proposed by the Bureau of the Budget. Only the hope of ultimately returning to mainland China sustains the morale of the Chinese Nationalists on Taiwan. The President added that of course this did not mean that we now propose to send them masses of military matériel for their use in an invasion of the Chinese mainland.

Secretary Wilson said that he had a point of view somewhat different from that of the President. While he understood the basis of Secretary Dulles' feelings, and had not seen the Generalissimo for some two years, he did believe that if we were realistic we should continue to budget our assistance to the Chinese National Government on about present levels, or even to cut these levels down somewhat in a quiet way. Not only were Chiang and his soldiers growing old; the day was coming soon when we were going to have to reapportion all our resources available for foreign assistance.

The President said that it seemed to him that as the island becomes populated more and more by native Taiwanese and less and less by mainland Chinese, the interest in returning to the Chinese mainland would proportionately lessen. Secretary Dulles replied to the President by pointing out that it was much more basic that if all hope of a Nationalist return to the mainland were to be destroyed the United States would lose the whole show in the Far East. We simply could not afford to permit the Chinese Nationalists to think

we believe that a Communist China was a permanent feature of history.

Secretary Wilson asked Secretary Dulles for the factual basis of the view he had just expressed. Secretary Dulles replied that his view was based on the best judgment of our qualified political observers.

Mr. Cutler then stated that inasmuch as we had heard so much from the proponents of the broader interpretation of the missions of the GRC armed forces, it would be perhaps apropos to hear from Mr. Brundage on the narrower interpretation of these missions, which would confine them to the defense of Taiwan, the Penghus, and the off-shore islands, and stating that any other mission of the GRC forces was merely a by-product of these two missions and not a separate and distinct mission justifying additional build-up of GRC forces.

Mr. Brundage began by stating that representatives of the Bureau of the Budget who had made trips to Taiwan were convinced that Chiang Kai-shek was seeking more military power in order to launch a counteroffensive against the Chinese Communist mainland. Essentially, therefore, what the Budget was seeking was to guard against a further U.S. build-up of existing GRC forces rather than a reduction in existing levels. Of course, he added, the Budget Bureau would accept the judgment of the President and the Secretary of State in this matter, but he repeated that the proposed Budget version of paragraph 17 of NSC 5503 was designed to prevent enhancement of the GRC armed forces rather than to suggest a retrenchment.

The President said that we were, of course, talking in this instance about a possible future emergency development in the shape of a Nationalist counteroffensive against the mainland. If such a thing eventuated, the United States must be prepared to rush amphibious equipment to the Nationalists. However, it did not mean that we now contemplated building up the Chinese Nationalists with a lot of military matériel designed for offensive action. We should provide Chiang Kai-shek with a limited capability in terms of amphibious equipment, but we should concentrate our assistance on the provision of defensive equipment. So we will be well-advised to talk about cases and facts in terms of actual equipment rather than in terms of missions. The President reaffirmed that he was dead set against the revision of paragraph 17 of NSC 5503 proposed by the Bureau of the Budget.

Mr. Cutler cited the figures which indicated costly programming and heavy U.S. expenditure for Taiwan over the three years through fiscal 1960, and the very considerable maintenance costs after that year. This certainly seemed to Mr. Cutler to involve the question of a modest cut in these programs and expenditures.

Secretary Wilson cautioned against moving too fast in making such cuts, for this would be bound to get us into trouble. Nevertheless, over the long haul we are leaning on a pretty weak reed in the shape of the Chinese National Government.

The President emphasized that in this context our main purpose was to maintain our hold on the off-shore island chain. It was in order to do this that we must let Chiang Kai-shek believe that he may ultimately succeed in getting back to the mainland. Secretary Wilson said he doubted whether Chiang really believed that he could ever stage a successful return to the mainland, and that his repeated allusions to the possibility were largely a matter of saving face.

Secretary Anderson said that he agreed with the President that we could not say to the Generalissimo that his hope of returning to the mainland was a forlorn hope, but we should supply as little matériel as possible to sustain this hope.

Secretary Dulles commented that there had been a very great improvement in economic conditions on Taiwan in recent years and months. Mr. Cutler pointed out, however, that in the attachment to Annex B of the Planning Board paper,⁵ the Treasury Department member of the Planning Board had expressed considerable doubt as to the State Department's contention with respect to economic progress in Taiwan.

Mr. Richards said he doubted whether anyone in Southeast Asia seriously believed that the Generalissimo would ever successfully return to mainland China, but he believed that the Generalissimo himself was genuinely sincere in his own belief that he would. What particularly bothers the Generalissimo is the sense of frustration now current on Taiwan. Accordingly, if the United States now acts further to destroy the hope of a return to the mainland, the effect will be to increase this sense of frustration. It was in this context that Chiang Kai-shek had asked him to tell the President of his hope for assistance in the training of Chinese Nationalist paratroopers. Such training would constitute visible proof that the United States had not given up hope of an eventual return of the Nationalists to the Chinese mainland. Chiang apparently had in mind a force of some 5000 paratroopers. This was, of course, a matter for the President and the Secretary of State to decide, but in any case Mr. Richards counselled that we avoid doing anything to increase the sense of frustration now widespread in Taiwan.

Governor Stassen commented that the problem could perhaps be solved by providing the Generalissimo with a few paratroopers and reducing the size of other units.

⁵ The Planning Board paper is printed as an enclosure to Document 281. Annex B, entitled "Economic Problems and Program in Taiwan," is not printed.

At this point Mr. Cutler summed up what he believed to be the Council's consensus with respect to paragraphs 3 and 13 of NSC 5503, where the views of the State Department and the Joint Chiefs of Staff seemed to have prevailed. He then said that he would take up two other proposed revisions in NSC 5503, which he believed were non-controversial in character. The first of these was concerned with paragraph 10 of NSC 5503, which Mr. Cutler read as follows:

"10. Seek to preserve, through United Nations action if appropriate, the status quo of the GRC-held off-shore islands. Provide to the GRC forces, military equipment and training to assist them to defend such off-shore islands, using Formosa as a base. U.S. forces will be used to assist the Chinese Nationalists to defend the GRC-held off-shore islands from Chinese Communist attacks whenever the President judges that such attacks are parts of, or definite preliminaries to, attacks against the main positions of Formosa and the Pescadores."

Secretary Dulles, however, did not regard the matter as non-controversial, and said he would rather have this paragraph follow Public Law 4 verbatim, because the statement of intention set forth in the text of Public Law 4 was more authoritative than the President's statement to the Congress⁶ as to how he would administer Public Law 4. There was no reason needlessly to curtail the President's authority, and there was much in the legislative history of Public Law 4 to justify his argument.

The President said that he couldn't see that this particular argument was of much substance. The statements in Public Law 4 and his own statement as to how this would be administered, amounted, as far as he could see, to very much the same thing. Mr. Cutler then suggested that the text of the revised paragraph 10 follow the text of Public Law 4, but that there should be added a footnote which would cite the President's statement as to how he would apply his authority under Public Law 4.

Secretary Dulles then observed that it seemed to him that the defense of all of the off-shore islands was now so complete and so integral a part of the defense of Taiwan, that it was not to be compared with the fluid situation of three years ago. Certainly as conditions existed today, said Secretary Dulles, he would say that if there were an all-out attack on Quemoy or the Matsus, the United States should not sit to one side and permit the loss of these islands, because their loss would surely result in the loss of Taiwan and the Penghus. It was for this reason that he preferred the broader language of Public Law 4.

⁶ See vol. II, Document 34.

With respect to paragraph 15 of NSC 5503, the Council agreed without discussion to accept the revision proposed by the NSC Planning Board.

*The National Security Council:*⁷

a. Discussed the draft report on the subject, prepared by the NSC Planning Board pursuant to NSC Action No. 1624-c, and transmitted by the reference memorandum of September 9, 1957; in the light of the views of the Joint Chiefs of Staff, transmitted by the reference memorandum of September 19, 1957, and the views presented orally by Ambassador Richards based upon his recent visit to Taiwan.

b. Adopted the following amendments to NSC 5503:

(1) *Paragraph 3, page 1:* Revise to read as follows:

"3. Continued development of the military potential of GRC armed forces: (a) to assist in the defense of Taiwan and the Penghus, (b) to take action in defense of the GRC-held off-shore islands, (c) to take such other action as may be mutually agreed upon under the terms of the Mutual Defense Treaty, and (d) to contribute to collective non-Communist strength in the Far East. Action with respect to (c) and (d) should be directed primarily toward, and limited by, what is deemed necessary to maintain the position and morale of the GRC."

(2) *Paragraph 10, page 2:* Revise to read as follows:

"10. Seek to preserve, through United Nations action if appropriate, the status quo of the GRC-held off-shore islands. Provide to the GRC forces, military equipment and training to assist them to defend such off-shore islands, using Taiwan as a base. U.S. forces will be used to assist the Chinese Nationalists to defend the GRC-held off-shore islands from Chinese Communist attacks whenever the President judges such action to be required or appropriate in assuring the defense of Taiwan and the Penghus.

"* See the Annex hereto which contains Public Law 4, 84th Congress, and extracts relative to the off-shore islands from the President's Message to Congress requesting legislation which resulted in Public Law 4."⁸

(3) *Paragraph 13, page 3:* Revise to read as follows:

"13. Continue military assistance and direct forces support for the GRC armed forces to enable them: (a) to assist in the defense of Taiwan and the Penghus, (b) to take action in defense of the GRC-held off-shore islands, (c) to take

⁷ The following paragraphs and note constitute NSC Action No. 1794, approved by the President on October 4. The record copy of NSC Action No. 1794 is in Department of State, S/S-NSC (Miscellaneous) Files: Lot 66 D 95.

⁸ The annex is attached to NSC 5723, *infra*, but not printed.

such other action as may be mutually agreed upon under the terms of the Mutual Defense Treaty, and (d) to contribute to collective non-Communist strength in the Far East. Action with respect to (c) and (d) should be directed primarily toward, and limited by, what is deemed necessary to maintain the position and morale of the GRC."

(4) *Paragraph 15, page 3:* Revise to read as follows:

"15. Encourage and assist the GRC, through such means as off-shore procurement and technical advice, to maintain on Taiwan selected arsenals and other military support industries."

(5) Throughout NSC 5503, as amended, substitute the words "Taiwan" and "the Penghus" for the words "Formosa" and "the Pescadores", respectively.

Note: NSC 5503, as amended, subsequently approved by the President and circulated as NSC 5723, and referred to the Operations Coordinating Board as the coordinating agency designated by the President.

[Here follows discussion of items 3, "Significant World Developments Affecting U.S. Security", 4, "Electro-Magnetic Communications", 5, "U.S. Policy Toward Latin America", and 6, "Resignation of Charles E. Wilson as Secretary of Defense".]

S. Everett Gleason

288. National Security Council Report ¹

NSC 5723

Washington, October 4, 1957.

U.S. POLICY TOWARD TAIWAN AND THE GOVERNMENT OF THE REPUBLIC OF CHINA

Note by the Executive Secretary to the National Security Council ²

REFERENCES

A. NSC 5503

B. NSC Actions Nos. 1312-e-(2), 1624-c, 1790 and 1794

¹ Source: Department of State, S/S-NSC Files: Lot 63 D 351, NSC 5723 Series. Top Secret.

² Copies were also sent to the Secretary of the Treasury, the Director of the Bureau of the Budget, the Chairman of the Joint Chiefs of Staff, and the Director of Central Intelligence.

The National Security Council, the Secretary of the Treasury, the Director, Bureau of the Budget, and the Special Assistant to the President for Disarmament, at the 338th Council meeting on October 2, 1957, adopted the amendments to NSC 5503 set forth in NSC Action No. 1794-b.

The President has this date approved the statement of policy in NSC 5503 as amended, adopted, and enclosed herewith as NSC 5723; directs its implementation by all appropriate Executive departments and agencies of the U. S. Government; and designates the Operations Coordinating Board as the coordinating agency.

NSC 5723 supersedes NSC 5503 and NSC Action No. 1312-e-(2).

James S. Lay, Jr.

[Enclosure]

STATEMENT OF POLICY BY THE NATIONAL SECURITY
COUNCIL ON U.S. POLICY TOWARD TAIWAN AND THE
GOVERNMENT OF THE REPUBLIC OF CHINA

Objectives

1. Maintenance of the security of Taiwan and the Penghus as a part of the Pacific off-shore island chain, which is an element essential to U.S. security.

2. An increasingly efficient Government of the Republic of China (GRC), evolving toward responsible representative government, capable of attracting growing support and allegiance from the people of mainland China and Taiwan, and serving as the focal point of the free Chinese alternative to Communism.

3. Continued development of the military potential of GRC armed forces: (a) to assist in the defense of Taiwan and the Penghus, (b) to take action in defense of the GRC-held off-shore islands, (c) to take such other action as may be mutually agreed upon under the terms of the Mutual Defense Treaty, and (d) to contribute to collective non-Communist strength in the Far East. Action with respect to (c) and (d) should be directed primarily toward, and limited by, what is deemed necessary to maintain the position and morale of the GRC.

4. Use of GRC military potential, including the availability of Taiwan and the Penghus for the use of U.S. forces under the terms of the Mutual Defense Treaty, in accordance with U.S. national security policies.

5. Development of a stronger Taiwan economy.

6. Improved relations between the GRC and other non-Communist nations.

7. Continued recognition and political support of the GRC as the only government of China and as the representative of China in the United Nations and other international bodies.

8. GRC adherence to the principle of increased orientation of overseas Chinese, especially in Southeast Asia, toward the host countries and integration into their local communities. In the case of those overseas Chinese who continue to regard China as their home and who look to it for inspiration and leadership, increased support of the GRC as the Government of China.

Courses of Action

9. Effectively implement the terms of the Mutual Defense Treaty, taking all necessary measures to defend Taiwan and the Penghus against armed attack.

10. Seek to preserve, through United Nations action if appropriate, the status quo of the GRC-held off-shore islands. Provide to the GRC forces, military equipment and training to assist them to defend such off-shore islands, using Taiwan as a base. U.S. forces will be used to assist the Chinese Nationalists to defend the GRC-held off-shore islands from Chinese Communist attacks whenever the President judges such action to be required or appropriate in assuring the defense of Taiwan and the Penghus.³

11. a. Except under circumstances approved by the President, do not agree to GRC offensive actions against the mainland of Communist China.

b. Under circumstances approved by the President agree to GRC actions against Communist China which are a prompt and clear retaliation against a Chinese Communist attack, provided such retaliation is against targets of military significance which meet U.S. criteria as to feasibility and chance of success and which are selected with due consideration for the risk of provoking heavy Chinese Communist reaction against Taiwan and the Pengus.

12. Continue covert operations

13. Continue military assistance and direct forces support for the GRC armed forces to enable them: (a) to assist in the defense of Taiwan and the Penghus, (b) to take action in defense of the GRC-held off-shore islands, (c) to take such other action as may be mutually agreed upon under the terms of the Mutual Defense Treaty, and

³ See the Annex hereto, which contains Public Law 4, 84th Congress, and extracts relative to the offshore islands from the President's Message to Congress requesting legislation which resulted in Public Law 4. [Footnote in the source text. The annex is not printed.]

(d) to contribute to collective non-Communist strength in the Far East. Action with respect to (c) and (d) should be directed primarily toward, and limited by, what is deemed necessary to maintain the position and morale of the GRC.

14. Continue coordinated military planning with the GRC designed to achieve maximum cooperation from it in furtherance of over-all U.S. military strategy in the Far East.

15. Encourage and assist the GRC, through such means as off-shore procurement and technical advice, to maintain on Taiwan selected arsenals and other military support industries.

16. Exercise the right, as appropriate, under the terms of the Mutual Defense Treaty, to dispose such U.S. land, air and naval forces in and about Taiwan and the Penghus as may be required in U.S. interests.

17. Show continuing U.S. friendship for the GRC and the Chinese people, while avoiding any implication of an obligation to guarantee the former's return to power on the mainland.

18. Encourage and assist the GRC to take steps leading toward more responsible representative government suited to the Chinese environment and having a constructive social and economic program, so as to deserve the support and allegiance of the people of Taiwan and to serve as the focal point of the free Chinese alternative to Communism. So far as feasible, employ U.S. assistance as a lever to this end.

19. Continue to recognize the Government of the Republic of China as the only government of China and to support its right to represent China in the United Nations. Seek to persuade other non-Communist countries to do likewise.

20. Encourage the GRC to influence the overseas Chinese, especially in Southeast Asia, to the end that they integrate fully and as rapidly as practicable into the national life of their host countries, becoming loyal citizens and identifying themselves with the interests of these countries so long as they are not Communist-oriented. Seek to ensure that overseas Chinese who continue to feel and act as Chinese rather than as citizens of their host countries look to the GRC as the custodian of Chinese social and cultural values and support it as the representative of the interests and aspirations of the Chinese people. In so far as feasible without jeopardizing our larger interests with respect to our relations with the host countries, assist the GRC in its efforts to influence China-oriented overseas Chinese to look to Taiwan rather than to the Communist mainland.

21. Maintain contact through U.S. officials with anti-Communist Chinese groups outside Taiwan which continue to reject cooperation with the GRC, and, without making commitments of U.S. support, encourage such groups actively to oppose Communism.

22. Encourage conditions which will make possible the inclusion of the GRC in a Western Pacific collective defense arrangement comprising the United States, the Philippines, Japan, and the Republic of Korea, eventually to be linked with the Manila Pact and ANZUS.

23. Continue to provide such technical and economic assistance to Taiwan as will promote U.S. objectives and will be consistent with other U.S. programs of economic and military aid for the Far East.

24. Encourage conditions which will make possible the eventual inclusion of the GRC in such economic grouping as may be organized among the free nations of Asia.

25. Take all feasible measures to increase the opportunities for the GRC to develop a well-balanced trade with the non-Communist nations of Asia and with other Free World countries.

26. Continue to assist the GRC to plan the most productive use of Taiwan resources in their own best interests, so as to complement the economies of other free countries, particularly Japan and the Philippines.

27. Continue to work with the GRC toward better fiscal procedures and the revision of programs which run counter to prudent U.S. advice.

28. Encourage the GRC to adopt policies which will stimulate the investment of Chinese and other private capital and skills for the development of the Taiwan economy, under arrangements avoiding "exploitation" yet acceptable to private interests.

29. Consistent with the foregoing objectives and courses of action, continue programs in which Taiwan serves as a base for psychological operations against the mainland.

30. Continue U.S.-sponsored information, cultural, education, and exchange programs; expand the program for training Chinese and Taiwan leaders.

31. Seek to improve relations between the GRC and other non-Communist countries, and develop an appreciation on the part of these countries of the GRC and of the favorable conditions existing on Taiwan, by such means as encouraging official and non-official visits to Taiwan.

32. Attempt to convince other Free World countries of the soundness of U.S. policy toward the Republic of China and of the advisability of their adopting similar policies.

289. Memorandum From the President's Special Assistant (Richards) to the Secretary of State ¹

Washington, October 9, 1957.

SUBJECT

Taiwan

Pursuant to your instructions, I conducted certain investigations in Taiwan during the course of the recent Herter-Richards Mission to the Far East. The following is a brief summary of impressions gained and conclusions arrived at there. (No attempt is made here to go into the details of conversations with individuals.)

The Mission arrived in Taiwan on September 12, 1957. The Under-Secretary and I paid courtesy calls on the President, the Vice President, and the Foreign Minister. We attended and enjoyed the formal military, political, and economic briefings by Ambassador Rankin, the Embassy Staff Officers, and other U.S. representatives on Taiwan, civilian and military.

We also had dinner with the President and his wife, and on the next day, visited the President to say good-bye and engaged in a general discussion of the problems of Taiwan. The President indicated to us that he was gravely concerned about the problem of keeping up morale on the Island. He informed us that he had presented to the President of the United States, through channels, a plan to train several thousand paratroopers in order to promote better morale and to have them ready when the opportunity comes to invade the Mainland. We made no suggestions to the President nor did we criticize either his plans or conditions on the Island.

Our entire party had planned to remain in Taipei from September 12 to 15. The Under-Secretary and I agreed that I would stay over a few days longer, in line with your suggestions. Since a typhoon was approaching, the Commander of our aircraft felt that for the safety of the plane, and to assure that engagements in Okinawa and Korea could be met, the plane should leave the Island on September 14 instead of the 15th. Accordingly, Mr. Herter and the rest of the party left on September 14. I remained in Taipei until September 17 and joined the party later in Tokyo.

During my prolonged stay on Taiwan, I primarily sought information on two general subjects:

1. The nature, cause, and results of the so-called Taiwan riot in May, 1957, when the U.S. Embassy and USIS Buildings were wrecked and the U.S. Flag torn down.

¹ Source: Department of State, Central Files, 793.00/10-957. Top Secret.

2. The general situation on Taiwan from a morale and defense standpoint.

I did not consult further with Ambassador Rankin or his Staff as we had been more or less fully briefed by them on both subjects in a formal meeting. There had seemed to be a disposition on the part of the Ambassador to shrug off the riot as just "one of those things" that might happen anywhere. He seemed to agree with the position of the President no matter what it happened to be.

Among those I talked with on a confidential basis during my stay-over were:

Vice Admiral Austin K. Doyle, USN
 Brig. Gen. F.M. Dean, USAF
 Maj. Gen. Harold H. Bassett, USAF
 Maj. Gen. Bowen, Chief of MAAG
 [Names deleted]

I also had prolonged conversations with George K. C. Yeh, Minister of Foreign Affairs, who telephoned after the Under-Secretary had left, when he heard that I was staying over. He asked that I go to his office for an informal talk. Shortly thereafter, he telephoned to say that President Chiang Kai-shek had asked if I would go to the President's home again that afternoon for an informal and frank talk. This I did. (Madame Chiang Kai-shek and Minister Yeh were also present during this discussion.)

The President and I had a very full and frank discussion which lasted about two hours. Then, Foreign Minister Yeh went back to my hotel with me where we had dinner together, and talked an additional three or four hours.

1. The Nature and Cause of the Taipei Riot

It is, of course, generally conceded that the immediate cause of the riot was the Reynolds Case. I shall not attempt to deal with the conduct of our Embassy Staff during the riot, since that was dealt with fully by State Department Inspectors, who filed voluminous reports on the subject. Ambassador Rankin was in Hong Kong at the time, without permission (although I understand that he had, at a much earlier date, requested blanket permission to visit Hong Kong).

It was evident from the inspection report ² that no definite plan had been worked out in advance by our Embassy Staff to meet such an emergency. I am sure the inspectors' report, which I have read, reveals where the fault lay. In my talks with different officials and individuals, I indicated that my chief concern was not what caused the riot, but why it was not stopped before reaching its destructive

² Not printed.

peak. As it happened, the President, Vice President, and the Minister of Defense were all out of the city when the trouble began. All informants agreed that immediately prior to the riots, a very bitter anti-American campaign had been conducted in the press of the city, even though, admittedly, the press is controlled by the State. The evidence revealed that there was no real determination exhibited by either the police or the military to stop the riot. On the day of the riot, the press even carried a very bitter denunciation of the verdict rendered in the Reynolds Case by the Minister of Justice.

I was informed that the CIA has pictures showing that the police made no real effort to control the mob either at the Embassy or at the USIS office. When I asked the Foreign Minister why someone was not instructed to shoot if necessary to break up the mob, he said there was no one with authority to issue the order, that all day he tried to get something like that done, but the reply always came back that there was no authority to shoot unless it came from the President himself. I was assured that such a riot could not happen again and that everything was fixed to prevent it, but could not find where the President had placed, even today, the authority to handle such situations in any individual in command of any body of police or troops.

The whole thing pointed up the fact that President Chiang Kai-shek delegates no authority to handle situations like the one mentioned. I do not think that this fault has been corrected even now. In my conversations with the President, I explained to him that he could readily understand that the Congress and the people of the United States were much concerned over the incident and, as yet, could not understand why strong steps had not been taken to prevent the incident.

The President's only reply was that he took responsibility for the outrage and was sorry, and assured me that a similar outrage would not and could not happen again. He did not say that he had delegated any Officer or member of his Government to act in his stead, if he himself was not available, to meet such situations.

I informed the President that it was widely reported in the United States that members of the Youth Corps (which is commanded by his son, Chiang Ching-kuo) were active in inciting the riot and the destruction of our Embassy and the USIS Office. He refused to comment on this.

Our military people seemed to feel that the riot was just "one of those things", which could have been prevented by one company of troops with orders to shoot.

I also had talks with a number of Chinese civilians, who were naturally hesitant to express definite opinions. They indicated, however, that frustration was making inroads on morale. They further in-

licated that the police could have easily stopped the riot had they received proper instructions from above. There seemed to be a feeling that Chiang Ching-kuo and his Youth Corps knew, beforehand, about an organized protest before our Embassy on the date mentioned. There was no feeling, however, that Chiang Ching-kuo anticipated that the Embassy would actually be attacked.

2. The General Situation on Taiwan from a Morale and Defense Standpoint

It is evident that the general morale of Government officials, soldiers, and the people of the Island, generally, is not as high as it was when I was there about three years ago. At that time, training plans were at their peak and there was more zip to all activities. Now there seems to be a mild sense of frustration growing out of the doubts of many Chinese that there is any real chance of returning to the Mainland. I do not feel, however, that this "sense" has reached anything like a danger point internally. The President still has his hands firmly on the reins of Government—a "one-man" Government.

The President spoke feelingly of his problems and admitted his concern over the possible growth of the spirit of frustration. The President said that there are many evidences of dissatisfaction on the Mainland and that he must be ready to seize the opportunity to return to the Mainland when it comes. To this end, he informed me that he had presented a plan to the United States for the organization of a paratrooper corps for this purpose. He said that this group could be used either for infiltration and propaganda purposes, or as a spearhead military group for invasion when the time comes.

He said that in case of attack on the off-shore islands, he would move his entire military force there. It was evident that, if such a situation arises, he expects the United States to defend Taiwan itself.

He felt that such an organization would be worthwhile from two standpoints: (a) to strengthen his military forces; and (b) from the standpoint of building morale of the troops and the people generally on the Island. The President indicated that he had his doubts that our military representatives there were enthusiastic about the plan and expressed the hope that I would convey his proposal to the Secretary of State and the President of the United States, which I promised to do.

Admiral Doyle, General Dean, Maj. Gen. Bassett and Maj. Gen. Bowen seemed to have their doubts about the President's plan for a specially-trained paratrooper group because of the magnitude and cost of the effort. They did seem to think that the training of a smaller group, say 5,000 men, might be well worthwhile from the standpoint of military interests and Chinese morale.

Foreign Minister Yeh and other Chinese individuals with whom I talked seemed to feel that next to the President, the two strongest

Government characters in Taiwan are the Vice President, Chen Cheng, and the President's son, Chiang Ching-kuo. In reply to my question as to who would take charge in the event of the President's death, the predominant impression was that the Vice President would win even though there is contest with Chiang Ching-kuo. One or two felt that Chiang Ching-kuo would have the advantage due to the fact that he has a close grip on the Chinese army officers, plus the Youth Corps which he organized. There seemed to be some doubt about the loyalty of Chiang Ching-kuo but no one said to me that he was an indoctrinated Communist and would lean to the Communist cause in the event of his father's death. However, both the Foreign Minister and the Chinese individuals with whom I talked felt that it would be good for both Chiang Ching-kuo and the morale of the Island for him to be invited to the United States for studies covering as much as one year. One Chinese friend informed me that he should be brought to the U.S. and thoroughly "brain washed" while over here. By that he means that he should have a thorough course in democratic institutions.

There seems to be no serious trouble brewing between the Taiwanese and the Chinese who went there from the Mainland, though I did receive reports that the Taiwanese in the Army were dissatisfied because there was no opportunity for advancement in rank for them. I was informed that Chiang Ching-kuo, the President's son, kept complete reign on the Officer appointment and promotion system and showed partiality to the Chinese. It was indicated to me that Chiang Ching-kuo did not feel that he could trust the Taiwanese completely in an emergency. I, myself, could gather no definite evidence that this was true.

Conclusions ³

1. Generally, morale on Taiwan not too bad now, but slowly deteriorating.

³ In a November 6 memorandum to the Secretary, Assistant Secretary Robertson commented on the conclusions drawn by Ambassador Richards from his visit to Taiwan:

"1. Morale has probably declined somewhat among mainland civilian and military officials in Taiwan as compared to three years ago, but there has been a definite improvement in morale over the past year, resulting from the encouragement derived from the Hungarian revolt, other signs of trouble within the Communist bloc, and evidences of deteriorating conditions on the China mainland. However, the longer the return to the mainland is deferred, the more morale will suffer among that rather large and important group whose morale is closely linked with the prospects for attainment of this objective.

"2. I agree.

"3. Anti-American feeling, while present, is probably less than in most other countries of the Far East. It is somewhat misleading to refer to the press treatment of the Reynolds case (page 3, last paragraph) as 'a very bitter anti-American campaign'.

Continued

2. Economy of the Island comparatively stable.
3. There is, naturally, latent anti-American feeling on the island, but not near the danger point.
4. The President is still virtually dictator on the island, health good, mind clear, and spirit undiminished.
5. Chiang Ching-kuo should be invited to the U.S. for a reasonable stay. (He wants to come.)
6. Serious consideration should be given the President's plan for organization of a paratrooper group, even though it would entail cutting the numbers of his ground forces.
7. Rankin should be recalled as Ambassador.⁴
8. Vice President Chen Cheng, next to the President, is the best and strongest man in the Government. His health, however, does not appear to be good.

James P. Richards

While expressing strong dissent with the verdict in the Reynolds case, it was not a generalized anti-American campaign.

"4. The term 'virtual dictator' is too extreme, if Chiang Kai-shek is compared with a dictator of the totalitarian type. However, there is no question that he is the dominant personality on the island and that no other individual has personal power approaching his. I agree thoroughly with the description of his personal qualities.

"5. Chiang Ching-kuo was invited to the United States last spring. . . . the invitation was extended in the name of the Veterans' Administration, . . . in view of his responsibility for veteran's affairs in Taiwan. This trip was postponed because of the riot. The Veterans' Administration has agreed to renew the invitation and it is expected that Chiang Ching-kuo will come in February and will spend a month and a half in this country. . . .

"With respect to the comments on Chiang Ching-kuo, he is, of course, a controversial individual, who has both strong supporters and bitter enemies among the Chinese. No one can say how much of his present power derives from his father and would vanish with his father's death. The consensus among most observers is, as reported by Ambassador Richards, that Ch'en Ch'eng would succeed to the Presidency. I do not believe that Chiang Ching-kuo has as much control over Army officers as stated in the third paragraph of page 6 and at the top of page 7. On the contrary, there is evidence that, as chief of the political officer corps in the armed forces, he incurred the resentment of a good many line officers, who, for this reason, might be more likely to rally to Ch'en Ch'eng's support in a struggle for power.

"6. Serious consideration is being given to President Chiang's paratrooper proposal. I expect to have a memorandum containing recommendations on this subject for Mr. Herter within a few days.

"7. I agree that Karl Rankin, who has been in Taiwan over seven years, should be replaced. This should not be taken as a reflection on his performance, as I consider that he has done an outstanding job.

"8. I agree." (Department of State, Central Files, 793.00/10-957)

⁴ In telegram 324 to Taipei, November 12, Ambassador Rankin was offered the post of Ambassador to Yugoslavia. (*Ibid.*, 123-Rankin, Karl L.) He was appointed Ambassador to Yugoslavia on December 13, 1957 and took up his new post on February 19, 1958. Rankin was succeeded as Ambassador to the Republic of China by Everett F. Drumright, who was appointed on February 17, 1958 and presented his credentials on March 8.

290. Telegram From Ambassador U. Alexis Johnson to the Department of State ¹

Geneva, October 10, 1957—2 p.m.

347. One hour twenty minute meeting this morning with no new developments. ²

I opened with statement along lines paragraphs 1 and 2 Deptel 366. ³ Wang's reply was along familiar lines but with particular stress on "principles of equality, mutual benefit and reciprocity" and ended with correspondents which example of renewed U.S. violation of these principles. "PRC demands US subscribe to principle of equality and reciprocity." In reply I stressed US interested in substance not words and that facts of performance under September 10 agreed announcement as witnessed by UK and India glaring example PRC failure carry out their principles. Then made point paragraph 3 Deptel 366. ⁴

During course rebuttal Wang made statement that PRC had never tried prohibit Chinese correspondents going to US and Chinese correspondents make own decisions this matter which I picked up to reply that then there is apparently no problem, no Chinese correspondents having applied to go to U.S., apparently none desire to do so. Pointed out American correspondents travel to most countries of world including Communist countries and correspondents from most

¹ Source: Department of State, Central Files, 611.93/10-1057. Confidential; Priority; Limit Distribution.

² In letter No. 60 to Clough, Johnson described Wang's mood during the meeting and appraised his own success: "There was nothing new at this morning's meeting. He obviously had no new instructions, his performance was almost listless, and his replies entirely perfunctory. As you will also note he cut the meeting short. I feel that given the situation I made out very well today and that his position on the correspondents was very weak." Johnson's letter is misdated October 9; it should have been dated October 10. (*Ibid.*, Geneva Talks Files: Lot 72 D 415, Geneva, US-PRC Talks, Misc. Docs. 1956-1957)

³ In the first two paragraphs of guidance telegram 366 to Geneva, October 8, Johnson was instructed to "Take Wang to task for increasingly evident Chinese Communist responsibility for preventing progress in talks." Johnson was instructed to make particular reference to the Chinese failure to implement the Agreed Announcement of September 10, 1955 and to the Chinese refusal to renounce the use of force in the Taiwan area. (*Ibid.*, Central Files, 611.93/10-457)

⁴ Paragraph 3 of telegram 366 to Geneva reads as follows:

"If Wang raises question newsmen's travel and his draft agreed announcement of September 12, reaffirm U.S. position applications individual newsmen for visas will be considered on individual case basis. If Communist China wishes approve or deny newsmen visas on group or blanket basis, that matter its choice. U.S. will act in accordance its own laws, subjecting applications individually to criteria specified in law."

In letter No. 75 to Johnson, October 4, Clough wrote of the correspondent issue: "We feel we are in a satisfactory position if we continue to refuse any general agreement by holding the door open for any Chinese Communist newsmen to apply for a visa if he wishes." (*Ibid.*, Geneva Talks Files: Lot 72 D 415, Geneva, US-PRC Talks, Misc. Docs. 1956-1957)

of those countries travel to U.S. without any agreements between governments. If any of those governments asked agreement similar that asked by PRC, our answer would have to be same as to PRC. At this point Wang conferred with aide and said he had nothing further.

I suggested next meeting November 7. Wang countered with November 14 and I accepted. Full report by pouch.

[Johnson]

291. Editorial Note

On October 24–25, British Prime Minister Macmillan and Foreign Secretary Lloyd met in Washington with President Eisenhower and Secretary of State Dulles. Their talks covered the full range of mutual interests, including China. Among the agreements reached during the course of the talks was an agreement by the British not to seek or support, without prior agreement with the United States, any change in the representation of China in the United Nations. It was confirmed in a similar exchange of letters between Lloyd and Dulles, October 25 and 29, scheduled for publication in the compilation on United States relations with the United Kingdom in a forthcoming volume.

292. Telegram From Ambassador U. Alexis Johnson to the Department of State ¹

Geneva, November 14, 1957—noon.

448. Uneventful one hour meeting this morning. Wang opened with statement on implementation which, together with his replies during give and take, was mildest yet made. Emphasis was on 50 of 56 names given me and 21 of 103 names I had given him not having returned as well as only one prisoner having returned [*sic*]. Allegations of obstruction based on experiences of those having returned. During course give and take for first time made statement "to say

¹ Source: Department of State, Central Files, 611.93/11–1457. Confidential; Priority; Limit Distribution.

that there is this number of Chinese in US is not same as saying they all desire return or we want them all return." ²

In reply my statement on missing military personnel accordance para 2 Deptel 497, ³ he refused enter into discussion stating I well knew their attitude that it was not in terms of reference talks. I, of course, stressed was "practical matter" between us and refusal discuss or attempt ignore problem could not solve it.

Next meeting December 12.

[Johnson]

² In letter No. 76 to Johnson, November 8, Clough commented on the necessity of establishing a time limit for the implementation of the Agreed Announcement of September 10, 1955:

"In brief it seems to me we have to have a cut-off date beyond which we cannot go in offering Chinese aliens the choice of deportation to Communist China. If we were to make a continuing operation of extending the terms of the Agreed Announcement to Chinese aliens regardless of his date of sentence, we might get into a situation where any Chinese would have carte blanche to commit any crime in the book. Or so it might seem to Justice and to the various State authorities. At the same time, I feel we should not be deprived of our flexibility in this regard, and for that reason I recommended that we not state our position to Immigration and Naturalization Service at this time." (*Ibid.*, Geneva Talks Files: Lot 72 D 415, Geneva, US-PRC Talks, Misc. Docs. 1956-1957)

³ Paragraph 2 of guidance telegram 497 to Geneva, November 12, reads as follows:

"Express to Wang our deep regret Communist side in MAC at 79th meeting October 22 again refused account for UNC missing personnel. This refusal perform what even Communist side admits is obligation under Armistice Agreement demonstrates anew Chinese Communist contempt for sanctity agreements, as well as disregard humanitarian considerations. State that failure Communist side respond in MAC compels US raise again in Geneva forum. Cite individual cases from list to demonstrate falsification in previous Communist 'accounting'." (*Ibid.*, Central Files, 611.93/11-1257)

In letter No. 61 to Clough, November 14, Johnson noted that he had tempered his instructions on the question of missing military personnel:

"You will note that I made the tone of my statement on missing military personnel somewhat milder than implied in the guidance telegram. If our purpose is really to get information on these men I still feel it is better with [for?] them and for the record to handle it, particularly in a closed meeting such as this, in that manner rather than simply as a propaganda blast. In any event the people in MAC seem fully capable of exploiting the propaganda blast approach." (*Ibid.*, Geneva Talks Files: Lot 72 D 415, Geneva, US-PRC Talks, Misc. Docs. 1956-1957)

293. Memorandum From the Assistant Secretary of State for Far Eastern Affairs (Robertson) to the Under Secretary of State (Herter) ¹

Washington, November 15, 1957.

SUBJECT

President Chiang's Proposal for Training of Paratroops

In his conversation with you on September 14 (Tab A ²) President Chiang proposed the training of 13,000 parachutists as the first phase of a plan to intensify guerrilla activities on the China mainland. He urged that the United States "reappraise its China policy" and support "every measure short of using regular Chinese forces to help disintegrate the Chinese Communist regime".

In the discussion of our policy toward Taiwan and the GRC at the NSC on October 2, ³ the consensus was favorable toward acceding to President Chiang's request in a limited way (perhaps training 5,000 parachutists) if this could be done without any additional cost to the United States.

The Department of the Army on October 21 approved a MAAG program for the training of 3,000 GRC troops in parachute jumping and guerrilla warfare (Tab C ⁴). These are in addition to the airborne regiment (2,908 men) already trained and equipped by MAAG. However, no direct response has been made to President Chiang.

A positive response to President Chiang's proposal would give a helpful boost to morale in Taiwan and provide a trained force which would be available on short notice should it be required. However, in responding to the proposal we should make clear that no change in United States policy is implied, and that we are not adopting the strategic concept behind President Chiang's proposal. We should also frame our response so as to avoid strengthening the tendency within the GRC to overemphasize military preparation at the cost of essential economic growth. In responding to President Chiang the following points should be made:

¹ Source: Department of State, FE Files: Lot 59 D 19, Nationalist China 1957. Secret. Drafted by Clough.

² Not found attached. A note on the source text indicates that a memorandum of Herter's September 14 conversation with President Chiang was attached at Tab A. The memorandum was probably one of the two memoranda of conversation discussed in footnote 3, Document 284.

³ Document 287.

⁴ Not found attached. Telegram 264 to Taipei, October 22, indicated that the Department of the Army informed CINCPAC on October 21 that it had approved a program for the organization and training of Republic of China special forces. (Department of State, Central Files, 793.5/10-2257)

1. While the struggle with the Communists may call for early military action, it is also possible that we are in for a long-term struggle in which victory will fall to the side with the greatest staying power. Therefore both the United States and the GRC must limit their military programs so as not to jeopardize long-term economic and political stability.

2. Although the United States cannot accept the strategic concept behind the President's proposal, the United States does accept the desirability, within the limits imposed by the above considerations and existing United States policy, of training additional paratroopers. The United States cannot, at this time, increase its military aid program in Taiwan for this purpose. However, it is possible to train additional paratroopers within the limits of the existing program by effecting economies elsewhere. MAAG has recently been authorized to begin the training of 3,000 troops in parachute techniques and unconventional warfare within the limits of the aid program approved for Fiscal Year 1958. The United States and the GRC should consult to see what further economies might be achieved in the aid program and in the GRC's military budget which would permit the training of additional paratroopers beyond this 3,000.

3. It is, of course, understood that the paratroopers trained under this program are subject to the provisions of the exchange of notes pursuant to the Mutual Defense Treaty and other understandings between the United States and the Republic of China concerning the employment of GRC forces.

Recommendations:

1. That you approve a positive, though limited, response to President Chiang's proposal, along the lines outlined above; provided the Department of Defense concurs; and

Approved: C.A.H.

2. That you authorize me to seek Defense concurrence with the foregoing line of action.

Approved: C.A.H.

294. Memorandum From the Assistant Secretary of State for Far Eastern Affairs (Robertson) to the Secretary of State ¹

Washington, November 16, 1957.

SUBJECT

Travel to Communist China of Relatives of American Prisoners

I have received a letter from Mrs. Mary Downey (Tab A ²) renewing an earlier request that she be permitted to travel to Communist China to visit her son John Downey, one of the remaining six American prisoners there, who is under sentence of life imprisonment. Mrs. Downey's letter is based upon an erroneous article ³ in the *Christian Science Monitor* alleging that Chou En-lai had told Dag Hammarskjold that the American fliers would be released if relatives were allowed to visit them. I am writing Mrs. Downey to correct the report in the *Monitor* article and I think this would be an appropriate occasion to review our policy with respect to travel of relatives of Americans imprisoned in Communist China.

Chou En-lai's original offer in January, 1955 to provide facilities for travel of relatives was made primarily with respect to the 15 imprisoned fliers and Downey and Fecteau. It was decided at that time, chiefly because of the excessively belligerent actions and attitude of the Chinese Communists, not to authorize travel by relatives (Tab B ⁴). The Communists have never withdrawn this invitation and, in a letter from the Chinese Communist Red Cross on May 7, 1956 (Tab C ⁵) to the wife of Robert McCann indicated that the invitation applied to the relatives of all imprisoned Americans.

The immediate threat of Chinese Communist military action which influenced our decision in January, 1955 has somewhat diminished although the basic considerations against permitting general travel of Americans to Communist China remain unchanged. Nevertheless, there are cogent arguments in favor of withdrawing objection to relatives making the trip. There are only four prisoners whose relatives might be inclined to go, the other two being Catholic priests under five year sentences which will presumably be up in June, 1958.

¹ Source: Department of State, CA Files: Lot 60 D 648, Family Visits, 1957. Confidential. Drafted by Clough. Cleared by Clough with Deputy Assistant Secretary Jones of FE, Assistant Secretary Berding of PA, Legal Adviser Loftus E. Becker, and Roderic L. O'Connor, Administrator of the Bureau of Security and Consular Affairs.

² Dated November 6; attached but not printed.

³ A copy of the relevant portion of this article was enclosed with Mrs. Downey's letter to Robertson.

⁴ A copy of Department of State press release 50, January 27, 1955, which contained the text of a letter of the same date from Secretary Dulles to the families of the U.S. flyers imprisoned in China, was attached as Tab B, not printed. See Department of State *Bulletin*, February 7, 1955, p. 214.

⁵ Not printed.

(See attached list Tab D ⁶). These four are under long-term sentences and there is no reason on the basis of recent Chinese Communist behavior to anticipate their early releases. It is conceivable that the Peiping authorities might take advantage of a visit by relatives to release one or more of these prisoners, although this prospect cannot be considered likely. However, it seems most unlikely that a visit by relatives at this point would damage the prospects of the prisoners for release and withdrawal of United States Government objection to such visits would serve to demonstrate to the relatives and others that the government had taken every possible step to promote release of the prisoners.

There are obvious risks in this change of policy. It would mean another breach in our prohibition of American travel to Communist China and, coming close on the heels of authorization to A. L. Wirin ⁷ to travel there, it would probably be interpreted in some quarters as the beginning of a softening in our policy. However, in view of the very special circumstances of relatives of prisoners it should be possible to hold the line against any further exceptions.

It is possible that the Chinese Communists would demand a concession from the United States in exchange for permitting entry of the relatives, such as requiring intergovernmental arrangements to be made for the visits or attempting to equate ordinary Chinese convicts in this country with the American prisoners by demanding reciprocal rights for visits by relatives of such Chinese convicts. However, I believe we could handle any such demands so as to cause them to work to the Chinese Communist propaganda disadvantage.

.

Recommendation:

That you approve notification of the relatives that we are now prepared to issue them passports valid for travel to Communist China. ⁸

Approved: JFD

⁶ The list attached at Tab D, not printed, contains the names of the six remaining Americans imprisoned in China.

⁷ See footnote 7, Document 231.

⁸ A December 6 Department of State press release on the question of travel by relatives of Americans imprisoned in China reads as follows: "Following consideration of renewed requests from certain relatives of Americans imprisoned in Communist China for passports in order to visit them, the Department of State has decided to issue passports, not restricted as regards travel to Communist China, to such close relatives as apply for passports for this purpose." (Department of State *Bulletin*, December 23, 1957, p. 999)

295. Memorandum of a Conversation, Department of State,
Washington, November 20, 1957¹

SUBJECT

Economic Aid Program for GRC

PARTICIPANTS

Dr. Hollington Tong, Chinese Ambassador
Minister C.K. Yen
Mr. Walter S. Robertson, Assistant Secretary, FE
Mr. Gardner Palmer, Deputy Assistant Secretary, FE
Mr. Ralph N. Clough, Director, CA

Minister Yen opened the conversation by presenting a table² showing the increase in Taiwan national income from 1951 projected through 1958 and the declining ratio of economic aid to national income. He drew particular attention to the decline in this ratio from 13.4 in FY 1957 to 7.7 in FY 1958.

Mr. Robertson commented that these figures showed how successful the aid program had been in Taiwan. It had never been intended that United States aid should remain indefinitely at a constant ratio with national income. On the contrary, it was intended to make the recipient country more self-supporting so that aid could gradually be reduced. He also pointed out that the figure given for Defense Support for fiscal year 1957 took no account of the Development Loan Fund. Loans from this fund would not be made in accordance with usual banking criteria such as employed by the Export-Import Bank or the IBRD, but were intended to support projects of the type formerly financed from Defense Support funds. He emphasized that the reduction in the aid program was not limited to Taiwan. Congress had cut one billion dollars from the global figure requested. We were having a very difficult time allocating the funds available among the various countries, all of which needed aid.

Minister Yen replied that he realized the difficulties under which we were operating this year, and he had not come to request the impossible but primarily to enlist Mr. Robertson's support in obtaining from the Development Loan Fund and the PL 480 program enough to satisfy normal requirements of the Taiwan economy. He indicated that although his Government was asking for \$20 million of PL 480 commodities, they would be satisfied if they could get the 7.5 million dollars' worth which would be necessary to supply normal consumption. This consisted of wheat 3.5 million, cotton 1.3 million, tallow 1 million, vegetable oil 1.7 million. Since the United States Department

¹ Source: Department of State, Central Files, 793.5-MSP/11-2057. Official Use Only. Drafted by Clough.

² Not found in Department of State files.

of Agriculture was not disposed to release PL 480 commodities to satisfy normal consumption abroad, it would be necessary for the Department of State and ICA to support strongly the GRC request in the PL 480 interdepartmental committee to obtain approval of the 7.5 million. ICA was cognizant of and sympathetic with the GRC's desires.

Mr. Robertson mentioned that cotton supply was very tight and Mr. Palmer explained that there are two limitations: one, the monetary ceiling placed by Congress on the PL 480 program, and the other, the amount of surplus cotton available. The demand far exceeded the supply, which made allocation difficult.

Minister Yen explained that the reason he had come to Mr. Robertson and the reason his government was uneasy concerning the prospect for PL 480 commodities was that the matter had been under consideration for three months, but no decision had yet been reached. His government had sent a special representative here to work on this problem and the Embassy had just received a telegram asking that he and Ambassador Tong take the matter up with the Department of State. He said he understood the difficulty of supplying adequate amounts of surplus commodities and that the Department of Agriculture might prefer that his government first purchase for cash what it needed for normal consumption and then seek PL 480 commodities above that figure. This was impossible because of the GRC's shortage of foreign exchange. He mentioned that he had heard that India had been granted 350 million dollars worth of PL 480 commodities and he was sure that at least part of this was for normal consumption purposes. He emphasized the importance of a broad interpretation of PL 480, in order to permit the supplying of Taiwan's normal consumption needs.

Mr. Robertson said that the PL 480 program was limited to a billion dollars for the entire world at cost price which was considerably above the world market price and therefore there were smaller amounts of commodities than that figure indicated. He said he would look into the problem of the GRC's request and see what he could do about it.

Minister Yen then raised the question of the Development Loan Fund and Mr. Robertson pointed out that four projects—the Shih-men Dam, the Tung-men Hydro project, the aluminum plant and the project of rubber tire manufacture—were receiving priority consideration in Washington. He urged that the GRC submit promptly any additional suitable projects.

Mr. Robertson said that the establishment of the Development Loan Fund represented a basic change in our method of extending aid. It had been placed on a multi-year basis so that it would be easier to plan ahead on long term projects rather than have to

depend on year by year allocations. Minister Yen agreed that was an improvement over the previous method.

Mr. Robertson concluded the conversation by assuring Ambassador Tong and Minister Yen that we would do our utmost to see that the aid funds available were fairly apportioned among the recipient countries in the Far East, since these programs were very important ones.

296. Memorandum of a Telephone Conversation Between the Secretary of State and the Assistant Secretary of State for Far Eastern Affairs (Robertson), Department of State, Washington, November 20, 1957, 10 a.m. ¹

R[obertson] wondered re downgrading the Geneva talks from the Ambassadorial level ² and using Martin. ³ R said it just occurred to him and Johnson would announce he was being transferred at next meeting and we had arranged for future talks to be carried on, etc. The Sec mentioned concerting with EUR. The Sec said Johnson could say if acceptable the talks would go on below the amb level. The Sec does not object to downgrading but it would be undesirable to break off. The Sec said it is all right to think about. R said he will tell Alex we are considering it.

¹ Source: Eisenhower Library, Dulles Papers, General Telephone Conversations. Prepared by Dulles' personal assistant, Phyllis D. Bernau.

² In a telephone conversation on November 19, Dulles and Robertson discussed the possibility of maintaining the talks at the Ambassadorial level and moving them to Warsaw, where Ambassador Jacob D. Beam would be designated to meet with Chinese Ambassador Wang Ping-nan. (Memorandum of a telephone conversation, prepared by Phyllis D. Bernau, November 19; *ibid.*)

³ Edwin W. Martin, First Secretary of Embassy in London.

297. Memorandum From the Director of Intelligence and Research (Cumming) to the Secretary of State ¹*Washington, November 21, 1957.*

SUBJECT

Intelligence Note: Peiping's Economic Decentralization

Communist China's State Council issued a regulation November 17 providing for a sweeping decentralization of economic authority. In the industrial field, the central government retains control of the major industrial enterprises and continues to establish the more important performance targets. But in other respects, much of the authority previously exercised by the central government is now delegated to a lower governmental level or to the enterprises themselves. Similarly, there is to be a decentralization of control over commerce and finance. The new fiscal regulations provide for local governments to share on a fixed percentage basis in tax revenues and enterprise profits and for a sharper distinction between central and local expenditure responsibilities.

There is a similarity between these measures and the Soviet trend of the past several years toward economic decentralization, and it is probable that the Soviet trend had some influence on Peiping's thinking. However, Peiping's action appears to meet specific domestic problems rather than a deliberate act of conformity to the new Soviet pattern. It does not bear much resemblance to this year's Soviet reorganization of industrial management along regional lines. The Chinese Communist action was forecast in Premier Chou En-lai's report to the National People's Congress on June 26, 1957 when he said, "in the past two years . . . the central authorities were found to have taken too much into their own hands; there were shortcomings resulting from rigidity in administration . . . [in consequence] we began an examination of the government structure . . . [and have] now decided to make suitable readjustments expanding the powers of local authorities, so that their creative initiative may be fully developed under the coordinating leadership of the central authorities . . . " ² Peiping editorial comment on the new measures stressed that the previous high degree of centralization was necessary, but that changed circumstances now require a revision of the control mechanism; there was no reference to Soviet economic decentralization.

Although a major shift in economic organization, the step does not appear to reflect any change of basic economic objectives. It may

¹ Source: Department of State, Central Files, 893.00/11-2157.

² Brackets and ellipses in the source text.

reduce the bureaucratic problems arising from past over-centralization, but is unlikely to have a decisive effect on Chinese Communist economic prospects.

A similar memorandum has been addressed to the Under Secretary.

298. Telegram From the Ambassador in Czechoslovakia (Johnson) to the Department of State ¹

Prague, November 22, 1957—1 p.m.

316. Deptel 182. ² From substantive standpoint favor alternative which would designate another officer of ambassador rank for continuation talks at Geneva. However, suggest ChiComs may identify Rankin with GRC to degree that would tend to prejudice his negotiations if and when ChiComs may shift from present attitude. Therefore, suggest possibility Bonbright ³ commuting Geneva from Lisbon. If this not feasible favor Beam meeting Wang in Warsaw. This would, of course, require Martin commute London-Warsaw (this appears practicable from airline schedules available here) and preferably assignment Dexter to Warsaw. If this done, believe we should also suggest to ChiComs alternative of Martin meeting at Geneva with ChiCom representative on understanding consideration would be given again designating an ambassador if and when it appeared desirable.

Must anticipate Wang will require instructions before replying to me on any alternative that lowers level talks or moves them from Geneva. In this event Martin could remain at or return to Geneva to receive their reply and make agreement, including public announcement, for next meeting. In such case we could simply state following December 12 meeting that date next meeting will subsequently be announced. In event I just inform Wang of designation new ambassador for subsequent meetings, this could be included in announcement following meeting without making reference to my transfer from Prague unless that is otherwise publicly known at time. (I

¹ Source: Department of State, Central Files, 611.93/11-2257. Confidential; Priority; Limit Distribution.

² Telegram 182 to Prague, November 21, invited Johnson's comments on three alternative methods of continuing the talks with the Chinese: "1) Beam meet with Wang in Warsaw, 2) Rankin commute Geneva from Belgrade following assignment there, 3) talks be continued at lower level and conducted by Martin commuting to Geneva". (*Ibid.*)

³ James C. H. Bonbright, Ambassador in Portugal.

would prefer to postpone announcement my transfer from Prague until very shortly before my departure.)

In any event would appreciate December 12 meeting instructions also covering publicity aspects.

Johnson

299. Memorandum From the Director of Intelligence and Research (Cumming) to the Under Secretary of State (Herter) ¹

Washington, November 29, 1957.

SUBJECT

Intelligence Note: Peiping's Policy on "Two Chinas" Concept

Chou En-lai summoned the chiefs of foreign diplomatic missions in Peiping to an unprecedented two-hour conference on November 15, 1957 to make clear categorically that Peiping henceforth would attend no conferences at which the GRC was represented or to which it had been invited. Chou claimed that the US, recognizing the impasse of its present position, was pursuing a "two Chinas" policy in the hope of easing its ultimate recognition of Peiping and obtaining wider recognition for the GRC.

Peiping will never accept a "two Chinas" solution, Chou said, adding that Chiang Kai-shek's opposition to this solution also constituted a snag for the US policy, and that US pressure on Chiang might force the GRC to attempt an attack on the mainland. Chou said that Peiping would not "lose patience" in the Geneva talks and was prepared to continue talking for 10 or 20 years, but that it would not fall into the "trap" of renouncing the use of force in regard to Taiwan while the US refused to withdraw its armed forces.

Peiping is apparently becoming increasingly concerned that the "two Chinas" concept may be gaining wider international support. A number of recent bloc actions can be interpreted as constituting at least a temporary acceptance of the present situation in other divided countries; Peiping may have wanted to make it clear that this acceptance by no means extends to the situation in China. By stating categorically its position on future conferences, Peiping may be hoping to force those countries that recognize it to take a more clear-cut stand whenever the issue arises in the future.

¹ Source: Department of State, UNP Files: Lot 62 D 170, Chinese Representation, 1957-58. Secret.

Less clear is the motivation for the argument that the US is adopting a "two Chinas" policy—a point never before brought out so categorically in a top-level Chinese Communist statement. Peiping may genuinely believe that the US is gradually coming around to such a policy; the Chinese Communists have often stated their belief that the US will ultimately recognize the Peiping regime and may now believe that the US plans not to abandon the GRC even when it recognizes Communist China. Propaganda exploitation of this thesis might serve to raise doubts regarding US constancy, particularly in the minds of Chinese Nationalists. At the same time, Peiping must recognize that widespread acceptance of its thesis might lead countries that regard the "two Chinas" formula as a reasonable solution to the China problem to place the onus for US-Communist China frictions more on Peiping and less on the US.

A similar memorandum has been addressed to the Secretary.

300. Memorandum From the Assistant Secretary of State for Far Eastern Affairs (Robertson) to the Secretary of State ¹

Washington, November 29, 1957.

SUBJECT

Continuation of Geneva Talks

We have considered the following alternative methods of carrying on the Geneva talks following Johnson's transfer:

- (1) Beam meeting with Wang in Warsaw.
- (2) Rankin commuting to Geneva from Belgrade.
- (3) Talks to be shifted to a lower level and be conducted by Edwin W. Martin commuting from London to Geneva. (Martin is First Secretary in London and has been participating in the talks as advisor to Johnson since June. He was formerly Deputy Director of CA.)

With respect to the first suggestion, shifting the meeting place to Warsaw would put us at a disadvantage. Press facilities, ease of access and the traditional role of Switzerland as a neutral meeting place all argue in favor of keeping the talks in Geneva.

¹ Source: Department of State, CA Files: Lot 60 D 648, Geneva, November 1957. Confidential. Drafted by Clough. Cleared with EUR and by Deputy Under Secretary Loy Henderson.

Rankin would be a good choice if it should be decided to continue the talks at the ambassadorial level. He has an intimate knowledge of the China problem and is a competent negotiator.

On balance, I favor lowering the level of the talks and having them conducted by Martin. This would give us an opportunity to express our dissatisfaction at the failure of the Communists to fulfill their promise to release the imprisoned Americans and to renounce the use of force. It would also be an effective rejoinder to Chou En-lai's statements to the assembled diplomats in Peiping on November 15, that the United States is pushing the two-China concept as a preliminary to recognizing Chou's Government (see British report attached, Tab B ²). I do not think we need fear that this action on our part is likely to cause the Chinese Communists to break off the talks, particularly in view of Chou's statement regarding the Geneva talks at the same meeting that they were ready to continue talking for 10 or 20 years if necessary. Our statement could be phrased in such a way as to give us freedom of action to propose restoring the talks to the ambassadorial level whenever we might consider that desirable.

Recommendation:

1. That you approve instructing Johnson to inform the Communists at the December 12 meeting that he is being transferred, but that Martin has been designated to continue the talks with whomever the Communists wish to appoint;

2. That, in the unlikely event that the Communists refuse to continue the talks on this basis, they be informed that we remain ready to continue the meetings but cannot designate an ambassador for this purpose at this time.

Approved: JFD

² A telegram from the British Chargé in Peking to the Foreign Office, dated November 16, is attached at Tab B but not printed.

301. Memorandum From the Commander of the United States Taiwan Defense Command (Doyle) to Various United States Military Officers in the Republic of China ¹

Taipei, December 3, 1957.

SUBJ

U.S. policy for ChiNat offensive actions

1. Enclosure (1) represents CINCPAC policy on the offensive use of forces by the GRC, and lists ChiNat air, naval, and ground action in two categories as follows:

- a. Those ChiNat actions *requiring* prior U.S. endorsement;
- b. Those ChiNat actions *not requiring* prior U.S. endorsement.

2. This enclosed policy statement was originally prepared principally for the guidance of Chief, MAAG in his monitoring of GRC intentions and activity, to ensure that the GRC does not become involved in any operation against the ChiComs contrary to U.S. policy. In order for this document to have maximum effectiveness it must reach the working level of all U.S. officers whose Chinese counterparts are likely to ask questions regarding Chinese offensive action. Therefore, enclosure (1) is furnished for your information and guidance. Authority is granted to reproduce this document as necessary for distribution on a strictly "need to know" basis. Any GRC proposed offensive action which the GRC considers to be of sufficient significance to warrant making it the subject of an official query, whether covered by the attached guidance or not, will be referred to COMTAIWAN DEFCOM(US), with recommendations.

3. This policy statement, as such, has never been, and should not be, transmitted to the GRC, since any such official specific listing could provide an opportunity for legal loopholes for GRC offensive action in the many areas not specifically foreseen.

A.K. Doyle

¹ Source: Department of State, Central Files, 793.5/2-2158. Secret; NoFORN. Ninety-three copies of this memorandum were distributed to American military officers on Taiwan likely to have to answer "questions regarding Chinese offensive action". The memorandum was sent to the Department of State as an attachment to despatch 474 from Taipei, February 21, 1958. In commenting on the December 3 policy statement, the Embassy noted that "In conversations locally among U.S. authorities the policy statement is referred to as 'The Do and Don't List'." The Embassy concluded that the effect of the policy statement was "to tighten restriction against offensive use of force by the GRC". (*Ibid.*)

[Enclosure]

LIST OF CHINESE OFFENSIVE OPERATIONS

A. Air Operations

*Operations Requiring no Prior US
Endorsement*

1. Air action of a defensive or repelling nature in the immediate vicinity of any GRC territory or ship which is attacked.

2. Air to air action at any time or any place.

3. Air to surface action against all enemy military shipping within the China Sea Operational Area.

²4. Air to surface action against enemy ground installations on enemy held off-shore islands within the China Sea Operational Area.

5. Air reconnaissance, both photo and visual, to limit of capabilities.

*Operations Requiring Prior US
Endorsement*

1. Air attacks of artillery positions require prior US endorsement.

2. Air attacks against mainland airfields.

3. Air support of friendly ground patrols on the mainland.

4. Air attacks against shipping tied up to mainland wharves and against any shipping not within the China Sea Operational Area.

5. Air attacks against any other mainland targets.

B. Naval Operations

*Operations Requiring no Prior US
Endorsement*

1. Reconnaissance and patrol.

*Operations Requiring Prior US
Endorsement*

1. Sea mining.

² COMTAIWAN DEFCOM(US)'s interpretation:

This does not mean that the GRC can, without prior US approval, start bombing the ChiCom held off-shore islands. The overall US policy is to prevent the GRC from taking any offensive action which could precipitate a situation inimical to the best interests of the United States. The US considers it to be of utmost importance that the onus for any hostilities in the off-shore island area *be on the ChiComs*. Any GRC offensive action which is not clear cut retaliation against the ChiCom attack would greatly complicate the issue in the US and abroad. Therefore air to surface action by the GRC against ChiCom held off-shore islands may be taken without prior US endorsement *only* if in retaliation or in self-defense. [Footnote in the source text.]

2. Destruction of enemy military shipping within the China Sea Operational Area.

3. Destruction of enemy military ground installations on enemy held off-shore islands.

4. Gunfire and escort support of friendly ground patrols against the mainland of company size or less to cover withdrawals.

5. Support of ground operations against enemy held off-shore islands.

2. Raids on enemy mainland harbors or portions of harbors which are outside the boundaries of the China Sea Operational Area.

3. Support of friendly ground force engaged in mainland raids with gunfire beyond that necessary to cover withdrawals.

4. Naval gunfire (except for direct naval counterbattery fire) against mainland targets of any type requires prior US endorsement.

C. Ground Operations

Operations Requiring no Prior US Endorsement

1. Any defensive action including artillery counterbattery firing.

Operations Requiring Prior US Endorsement

1. Raids or patrols against the mainland for the purpose of destroying enemy military installations or forces.

³ COMTAIWAN DEFCOM(US)'s interpretation:

This does not mean that the GRC Navy can, without prior US approval, initiate the destruction of ChiCom ground installations on the ChiCom held off-shore islands. The overall US policy is to prevent the GRC from taking any offensive action which could precipitate a situation inimical to the best interests of the United States. The US considers it to be of utmost importance that the onus for any hostilities in the off-shore island area be on the ChiComs. Any GRC offensive action which is not clear cut retaliation against the ChiCom attack would greatly complicate the issue in the US and abroad. Therefore GRC naval action against the ChiCom held off-shore islands may be taken without prior US endorsement *only* if in retaliation or in self-defense. [Footnote in the source text.]

2. Artillery firing at any type enemy military target in any location.

43. Recapture of off-shore islands lost to the enemy.

4. Combat patrols or raids against enemy held off-shore islands.

5. Reconnaissance patrols of company size or less against the mainland for intelligence purposes.

2. Reconnaissance patrols on the mainland of greater than company size.

3. Reconnaissance patrols against the mainland of company size or less involving air and/or naval support. Excepted is naval gunfire support for covering withdrawals only.

⁴ COMTAIWAN DEFCOM(US)'s interpretation:

This does not mean that the GRC can, without prior US endorsement, proceed to mount operations to recapture those off-shore islands already lost to the ChiComs such as the Tachens. Item number 3 is intended to be more narrowly interpreted than might appear from the actual wording, in that the words "lost to the enemy" are intended to be construed to be in a future tense, and the "off-shore islands" referred to are considered to be those islands held by the GRC as of 3 March 1955 on which date the Mutual Defense Treaty between the US and the GRC entered into force. The recapture of off-shore islands lost to the enemy prior to 3 March 1955 must have prior US endorsement. [Footnote in the source text.]

302. National Intelligence Estimate ¹

NIE 13-2-57

*Washington, December 3, 1957.*COMMUNIST CHINA'S ROLE IN NON-COMMUNIST ASIA ²

The Problem

To examine Communist China's activities in non-Communist Asia and the impact of these activities on the non-Communist countries of the area, and to estimate the future role and influence of Communist China in Asia during the next five years or so.

Summary and Conclusions

1. Communist China's already powerful impact on non-Communist Asia will probably increase, although only gradually, over the next few years, unless there is a serious crisis within China, a major change in the world situation, or a substantial increase in the strength of the factors which work against Peiping's aspirations.

2. Asia is impressed by the progress which the Chinese Communists have made in developing their economy and increasing their military power. Most Asian governments believe that the Communist regime is firmly in control of the country and growing in strength. The countries of the area, whether firmly anti-Communist or neutralist, take possible Chinese Communist reactions into consideration when making major policy decisions.

3. Against the background of power which Peiping is able to project, many Asian countries are susceptible to its varied appeals and pressures. Communist China will continue to pose as the champion of peace and economic development and to identify itself with the widespread anti-Western prejudices which arose out of colonial experience. Many Asian leaders have an intellectual sympathy for Marxist economic concepts. Many believe also that in their underdeveloped countries there is no feasible alternative to state planning

¹ Source: Department of State, INR-NIE Files. Secret. According to a note on the cover sheet, "The following intelligence organizations participated in the preparation of this estimate: The Central Intelligence Agency and the intelligence organizations of the Departments of State, the Army, the Navy, the Air Force, and The Joint Staff." All members of the Intelligence Advisory Committee concurred in this estimate on December 3, 1957, except for the Atomic Energy Commission representative and the Assistant Director, Federal Bureau of Investigation, who abstained because the subject was outside of their jurisdiction.

² Non-Communist Asia as used in this estimate includes: Japan, Korea, Nationalist China, Philippines, Vietnam, Laos, Cambodia, Malaya, Singapore, Indonesia, Thailand, Burma, India, Nepal, Pakistan, Ceylon. Hereinafter non-Communist Asia is referred to as Asia. [Footnote in the source text.]

and financing of major economic development. In these circumstances, there is a tendency to be more tolerant of the Communist economic system even when there is recognition of and opposition to its excesses.

4. On the other hand, there are important factors which work against Peiping's aspirations. Many Asian leaders dislike Communism, fear Communist China and mistrust its intentions. The most important factor limiting the expansion of its influence is the presence of the US in Asia as an opposing force, supplying elements of strength which the free nations still lack. Another major factor will be the degree of success of non-Communist governments in achieving a level of economic, political, and social progress acceptable to their people.

5. For the most part, the present leaders of Asia value their hard-won independence and recognize the ultimate threat of indigenous and Chinese Communism. They are seeking—with varying degrees of skill and energy—to satisfy the needs and potential pressures for social and economic betterment without sacrificing the basic values of their own cultures. Although the various Asian countries will react differently to Communist China in accordance with their varying backgrounds and interests, those that are not firmly anti-Communist are more apt to continue on or to take the road to neutralism than the road to affiliation with Peiping. Among such countries there will probably be an increase in contacts with Peiping, which will enhance the prestige of Communist China.

6. Although Communist China's military strength will almost certainly increase, we believe that it will refrain from using military means to achieve its objectives in Asia so long as its leaders believe that this would result in effective US military counteraction. Rather they will seek to expand their power and influence in Asia, and to reduce that of the US, through other means. They will continue to concentrate on economic inducements, the expansion of a broad range of official and unofficial contacts, and political subversion. They also hope to foster the development of indigenous Communist movements which can influence Asian governments to adopt policies favorable to Communist China and which might eventually assume power by parliamentary means or insurrection.

7. Major political or economic crises inside Communist China would considerably diminish its impact on Asia. On the other hand, any modification of US policy which appeared to Asians as a significant softening of US constancy and firmness in opposing Communist China and in helping Asian countries to achieve their aspirations would enhance Peiping's prospects. This would be particularly true if there appeared to be a significant weakening of US military capabilities against Communist China. A major change in the climate of the

cold war could have important effects. Thus, if the Sino-Soviet Bloc became more bellicose and threatening, there might be major policy changes in some Asian countries with some seeking neutralism and others increased affiliation with the West. Or, if tensions were reduced, closer relations between Communist China and other Asian countries would probably develop, with an eventual enlargement of Peiping's ability to influence Asia.

Discussion

Communist China's Objectives in Asia

8. We believe that Peiping's basic, long run objective is an Asia ruled by Communist governments, amenable to Communist China's influence, and dependent upon it for trade and political guidance. This long run objective, derived from Communist doctrine, is reinforced by the traditional Chinese view of China as the center of civilization.

9. Peiping almost certainly realizes that an attempt to gain this objective by military means would risk war with the US, so long as the latter is committed to the defense of large parts of non-Communist Asia. In addition, Communist China is seeking to transform an impoverished, illiterate, agrarian society into a modern industrial state with a powerful military establishment. Communist China's leaders appear to believe that their country needs time to complete this transformation and that their foreign policies must stop short of provoking destructive US military retaliation.

10. Thus, Communist China is for the present directing its energies toward more immediate objectives. These include weakening the power position and influence of the US in Asia, increasing exploitable neutralist attitudes and the susceptibility to Communist influence, and gaining acceptance as the only legitimate government of China and as a fully participating and increasingly important member of an Asian community of nations. Moreover, they consider that their revolution is incomplete so long as they do not control Taiwan and they will almost certainly be prepared to exploit any opportunity to this end providing it does not seriously risk war with the US.

[Here follows paragraphs 11-57, a nine-page assessment of the role of the People's Republic of China in non-Communist Asia.]

Future Trends

58. Assuming that there is no outbreak of war directly involving Communist China, the Chinese Communist regime probably will remain in firm control of the mainland of China, will continue to direct its resources and energies largely to internal problems, and will

achieve some degree of progress in economic development. Its military capabilities will almost certainly increase as it improves the efficiency, arms and equipment of its ground forces, continues to develop its air force, and expands its naval and maritime capabilities. However, Communist China will probably refrain from overt military aggression so long as its leaders believe that this would result in effective US military counteraction against the mainland.

59. Under these conditions and assuming no drastic changes in US policy or in the intensity or character of the struggle between the Communist and non-Communist worlds, we believe that over the next few years the already powerful impact of Communist China in Asia will continue to increase, although only gradually. The presence of the US in Asia will continue to be the major factor damping down the growth of Peiping's influence and obstructing Peiping's efforts to translate its growing prestige into specific action, such as diplomatic recognition or admission to the UN. There are many other factors which may counteract the impact of Communist China. One of particular importance would be the success of non-Communist governments in achieving a level of economic, political, and social progress acceptable to their people. In any event, we believe that there will be an increase in Peiping's cultural and economic relations with other Asian countries, which will enhance its prestige. With respect to the two most important countries of the area, India is unlikely to make any significant change in its policy toward Communist China as long as Nehru heads the government; Japan, although moving toward an increase of officially approved trade and cultural relations, is likely to stop short of any over-all rapprochement that would jeopardize its relations with the US. Nevertheless, we believe that five years hence the weight of Communist China on Asia and its ability to influence developments in the area will have increased somewhat.

60. Any modification of US policy which was interpreted in Asia as tending toward a significant softening of US constancy and firmness in opposing Communist China would enhance Peiping's prospects for expanding its influence. This would be particularly true if such modification resulted in a significant weakening of US military capabilities against Communist China. Likewise a substantial reduction in US support and assistance to Asian countries would probably be interpreted as a lessening of US interest in the destiny of the countries affected and would increase economic difficulties in these countries. This would, in varying degrees, enhance Communist China's prospects.

61. A significant change in the intensity of the East-West struggle could have important effects. If the Sino-Soviet Bloc dropped its general line of peace and coexistence in Asia and became bellicose and threatening, we believe that throughout Asia there would be a

general re-examination of national positions and of the relative power positions of the US and of the Sino-Soviet Bloc. There would probably be a clearer demarcation of Communist and non-Communist influence in Asia, although not necessarily along present lines. For example, Thailand especially is sensitive to trends in the relative strengths of the major powers in the Far East and might shift to neutralism if its leaders concluded a war of uncertain outcome was imminent. Burma, on the other hand, might seek increased ties with the West.

62. If Communist behavior is such that tensions in the Far East are substantially reduced, most Asian countries, except Nationalist China, Korea, and Vietnam, would probably cautiously relax their present suspicions of Peiping and move gradually toward broader contacts and normal diplomatic relations with Communist China. This, in time, would enlarge Peiping's ability to influence these countries.

63. Major developments within Communist China could also affect the impact of Communist China in Asia. A serious and prolonged crisis on the mainland would impede Peiping's efforts by undermining its pose as a progressive and dynamic state, while a marked improvement in conditions would, on the other hand, enhance Peiping's prestige. Moreover, serious economic and political difficulties in any of the Asian countries would increase its vulnerability to Peiping's blandishments, while an improvement in internal stability would have an opposite effect.

**303. Memorandum of a Conversation, Department of State,
Washington, December 9, 1957¹**

PARTICIPANTS

Minister Yu Ta-wei
Dr. Hollington Tong, Chinese Ambassador
Mr. Walter S. Robertson, Assistant Secretary, FE
Mr. Ralph N. Clough, Director, CA

Minister Yu said the Chinese forces now consisted of 21 divisions plus two tank divisions, a parachute regiment, a marine division and one marine brigade (the latter not yet combat-ready). These units were at 95% strength. Equipment was rated at 84% and training 80%. They were considered combat-ready.

¹ Source: Department of State, Central Files, 793.5/12-857. Secret. Drafted by Clough.

Mr. Robertson inquired how many troops there were altogether.

Minister Yu replied there were 11,000 combat troops in a division, but a division slice was 15,000. Total combat forces were 375,000. If Navy, Air and Service Forces were included the total would be close to 600,000.

In response to a question from Mr. Robertson, Minister Yu stated that 1/3 of the forces were Taiwanese, who made very good soldiers. Since drafting of Taiwanese began only three years ago, there are as yet no Taiwanese officers. There has not been time for them to advance to officer rank. There are two ways to become an officer: to be promoted up through the ranks, or to enter the officers' academy. Candidates are selected for officer training on a merit basis, irrespective of whether they are Taiwanese or mainlanders. As time passes, Taiwanese will become officers.

Minister Yu explained that youths reaching 20 years of age are drafted regardless of whether they were of Taiwanese or mainland origin. They are given four months recruit training and then assigned to one of the 21 divisions where they complete 20 months' service. They then become reservists and are obligated to serve one month per year. There are already 15,000 reservists who have completed their two years' service.

Mr. Robertson inquired what the attitude of the Taiwanese was regarding return to the mainland.

Minister Yu replied that he had not asked this question of the soldiers, but believed they should feel the same as mainlanders because of the Communist menace to Taiwan.

Mr. Robertson agreed that the Taiwanese soldiers should feel that way but asked the Minister what evidence there was that they did. He said he was frequently asked this question.

Minister Yu replied that he had probably spent more time at the front lines than any other official in the Chinese Government, having recently made his 100th visit to Matsu. He had not talked with the Taiwanese soldiers concerning this point, but had no reason to believe that they were opposed to return to the mainland, beyond feeling the universal reluctance to leave one's home. He referred to the refusal of the Hunan troops to leave Hunan Province to fight the Taipings. The Szechwan troops during World War II were also reluctant to leave Szechwan Province, but were made to realize the best way to defend Szechwan was to fight the Japanese outside the province rather than allow the war to come there. The same is true with respect to Taiwan, and the attitude of the soldiers will depend on how the case is presented to them.

Mr. Robertson inquired how much intermarriage there is between mainlanders and Taiwanese.

Minister Yu said there was very little, principally because the Chinese were very clannish. He himself was married to his first cousin and a number of his relatives had made similar marriages within the clan. Mainland families are more willing to have their sons marry Taiwanese girls than to have their daughters marry into Taiwanese families because of differences in customs. Of course, as time goes on increasing intermarriage is inevitable.

Minister Yu remarked that in present day Asia no one can predict where trouble will break out next. We could not, for example, have predicted the Indonesian reaction against the Dutch. Mr. Robertson interjected that we had anticipated that one. Minister Yu went on to say that since trouble may break out unexpectedly, it is necessary to be prepared. He recognized that the Chinese cannot at this time develop a pentomic division on the United States model but his staff in consultation with MAAG has developed what they call the "forward look" to modernize the Chinese Army. This proposal will soon be sent by MAAG to the Department of Defense. On the assumption that the cold war will continue and that brush fires may break out anywhere, it is important to have not only combat-ready troops but "export-ready" troops and there is quite a difference between the two.

Mr. Robertson commented that if the only front we had to worry about were the Taiwan front, we could do things very differently. However, we are confronted with a global threat and we must recognize that we face a common enemy in Germany, Viet Nam, opposite Taiwan, and in Korea. One thing that worries Americans is the possibility that one of our allies might precipitate military conflict for which the free world is not prepared.

Minister Yu replied that the United States could rely on the Chinese not to act independently.

Mr. Robertson responded that he himself was confident that they wouldn't. He had known President Chiang and Minister Yu both for many years and was satisfied that they would cooperate fully. He was concerned rather about President Rhee and certain other individuals who might exercise less discretion.

Yu pointed out that independent action by the Chinese without American support would certainly not serve China's enlightened self-interest. Mr. Robertson agreed and added that of course we must be prepared for any eventuality.

Minister Yu inquired where he thought trouble was likely to start. Mr. Robertson replied that of course no one could tell. The point is that we must maintain both our strength and our patience. There can be no successful revolt by unarmed people against modern weapons as was shown in Hungary, but if there had been a Hungarian Government in exile across the border with an armed force, things

might have turned out differently. In any totalitarian state the opposition of the people can only become effective when the army takes the side of the people. Time he said was on our side and we must guard against any unwise action which would precipitate military action prematurely.

Minister Yu responded that the Chinese believed that the free world would win in the long run, even though it had only parity in weapons rather than superiority. He assured Mr. Robertson that the Chinese intended to continue full cooperation. Mr. Robertson replied that no ally had been more cooperative than the Republic of China. He went on to say, however, that in the last session of Congress he had been asked in a classified Committee hearing how we knew the Chinese would not act independently. He had referred to the treaty and exchange of notes with the Chinese and when his statement later became public and was printed in Taiwan, he was lambasted in the Chinese press for having said that the Chinese could be depended upon not to act independently.

Minister Yu commented that of course it is impossible for the Chinese to move independently against the mainland without United States logistic support. He had appeared before his own Congress and explained why it would not be in the enlightened self-interest of China to attack the mainland without United States support. He had felt he had made some impression. He went on to say that the important thing was not the amount of money contributed by the United States for developing military capability to resist the Communists but the total operational capability for such resistance. For example, a year ago he had been offered a squadron of all-weather fighters for the Chinese Air Force. He had turned down the offer pointing out that it would take two years to train Chinese pilots to operate these planes and asked instead that a United States squadron of such fighters be stationed in Taiwan. He had suggested to Admiral Burke that Nike missiles be placed on Taiwan. This new attitude on the part of the Chinese he referred to as "the Copernican revolution in Chinese thought." They no longer think in terms of the amount of money needed for Chinese forces but of the total operational capability of combined United States and Chinese forces in the area.

Mr. Robertson pointed out that whether the money goes to the Chinese or is used for United States forces, it had to be covered by appropriations. Congress had cut one billion dollars from the mutual security program last year and at the same time had cut two billion dollars from the United States defense budget. Our programs have to be adjusted to this reality.

Minister Yu closed by leaving a memo ² renewing an earlier request by the Chinese Government for the purchase of CISAYI vessels on which the Chinese Government had made a down payment but had been unable to keep up the payments.

Mr. Robertson asked Mr. Clough to look into the status of the matter.

² Not found in Department of State files.

304. Telegram From Ambassador U. Alexis Johnson to the Department of State ¹

Geneva, December 12, 1957—2 p.m.

510. One hour fifty minute meeting this morning.

I opened with strong statement along lines paras 1, 2 and 3 Deptel 57 [557] ² closing with statement on my transfer and designation of Martin. ³

¹ Source: Department of State, Central Files, 611.93/12-1257. Confidential; Niact; Limit Distribution.

² Paragraphs 1, 2, and 3 of telegram 557 to Geneva, December 10, read as follows:

"Express dissatisfaction Chinese Communist continued failure permit return civilians desiring to do so. This question could have been settled in first week or even first day of talks by simple word and act their part. Should have been settled finally on September 10, 1955 when they agreed take measures permit Americans expeditiously exercise right to return. Yet six Americans remain in jail Communist China, 824 days later.

"With regard question accounting for US military personnel missing unaccounted for from Korean hostilities, remind Wang he said at last meeting did not feel it necessary reply that question that morning. There been 50 meetings since question raised in talks. Surely on one [of] those mornings he could have offered request his authorities investigate matter and furnish information.

"On renunciation force, most fundamental practical matter at issue, Chinese Communist attitude past year and half been one of unwillingness even discuss seriously." (*Ibid.*, 611.93/12-1057)

³ According to the full report of the meeting conveyed to the Department in an unnumbered despatch on December 12, Johnson concluded his statement as follows:

"I desire to inform you that I am being transferred from Prague to a new post and it will therefore not be possible for me further to carry on these talks with you. However, my government persists in its determination and willingness patiently to seek a settlement of our differences and accordingly desires to continue these talks here. To this end Mr. Edwin Martin will be designated as the United States representative." (*Ibid.*, 611.93/12-1257)

In telegram 546 to Geneva, December 4, the Department indicated, for Johnson's information, that "You would not ask Wang designate another representative but we assume he would not wish continue himself under these circumstances and representative of appropriate rank would be appointed". (*Ibid.*, 611.93/12-457) In letter No. 62 to

Wang closely questioned me on designation Martin "as to whether U.S. was purposely changing level of Ambassadorial talks" and therefore "nature" of talks. I replied along lines para 4 Deptel 546⁴ and Wang said would have to consult government. When, in reply my statement answer should be addressed Martin, he insisted reply only to me, I emphasized that as of close meeting today Martin was U.S. representative. He rejected my suggestion announcement be made concerning date next meeting and we finally agreed on announcement, that we had held 73rd meeting today and Ambassadors "stated an announcement would subsequently be made concerning the next meeting".

Clough, December 12, Johnson anticipated that the Chinese reply would be that they would be prepared to resume the talks at such time as the United States appointed an ambassador to replace Johnson, but that they would see little purpose in meetings at a lower level. If the Chinese did agree to continue the talks at a lower level, Johnson warned that "they are extremely sensitive on the subject of corresponding levels and we can be sure that even if they do agree to resume with Martin they will be very careful also to appoint a First Secretary, to correspond with Ed's rank in London. This will, in fact, mean that their man will be considerably below Ed in competence and authority as Ed would normally be a Counselor in any post but one such as London. Thus any meetings Ed may have will be on an even more routine level than those I have been having. I think, for example, that they will refuse even to enter into any discussion whatever of matters such as renunciation of force". (*Ibid.*, Geneva Talks Files: Lot 72 D 415, Geneva, US-PRC Talks, Misc. Docs. 1956-1957) Martin also felt that the Chinese would be unwilling to negotiate with him. In a letter from London to Clough on December 6, Martin wrote:

"I think it virtually inconceivable that Wang will agree to negotiate personally with me and unlikely that he will agree at the meeting to designate another representative. While I concur in your judgment that the Chinese Communists are unlikely to break off the talks, I think they may be willing to see them suspended indefinitely on the issue of the level at which they are to be conducted. They may argue that just because the talks have bogged down is no reason to put them on a lower level. Progress is less likely at a lower level (their line may run) than at the Ambassadorial level, while if we are really sincere in our desire to settle differences, we should agree to talks on the Foreign Minister level. Thus the Chinese Communists may well take the occasion of Alex's departure to renew their propaganda for Foreign Minister level meeting, though indicating willingness to continue at the Ambassadorial level. My guess is that they may hold to this position for some time, making clear that they are not breaking off the talks but simply waiting until we have seen fit to appoint another Ambassador to carry them on." (*Ibid.*, CA Files: Lot 60 D 648, Geneva, December 1957)

⁴ Paragraph 4 of telegram 546 to Geneva, cited in footnote 3 above, reads as follows:

"If Wang refuses continue talks on proposed basis, insisting on ambassadorial level, inform him we remain ready continue talks but cannot designate ambassador for this purpose this time. You should maintain this position even in unlikely event Wang threatens break. If Wang suggests alternative basis for continuing talks, you may inform him suggestion will be reported Department but that for number compelling reasons only feasible basis at this time is one proposed by you. FYI Department believes it unlikely Chinese Communists will break off talks, especially in view Chou's recent statement to foreign chiefs mission Peiping they ready continue talking ten or twenty years if necessary. In give and take you should be careful retain freedom action for US to propose restoring talks to ambassadorial level at some future time when this might be desirable. End FYI."

He made proposal for agreed announcement on judicial assistance on basis "equality and reciprocity" and therefore "governments of two countries decided to appoint experts to start negotiations on substance and concrete arrangements of an agreement on judicial assistance between the two countries". In original presentation and give and take laid heavy emphasis on fact U.S. District Court as instrumentality of U.S. Government had made request to PRC Ministry of Justice.⁵ I, of course, rejected along lines para 5 Deptel 557.⁶ He indicated they will issue public statement on this.

Full text draft agreed announcement on judicial assistance by separate telegram.⁷

Full report of meeting being pouched Friday.

[Johnson]

⁵ According to a December 12 press release by the Chinese Delegation, the text of which was conveyed to the Department in telegram 512 from Geneva, December 12, the U.S. District Court of North California on September 3, 1957 addressed a request to the Ministry of Justice of the People's Republic of China for judicial assistance in the case of "United States vs. John W. and Sylvia C. Powell and Julian Schuman". (Department of State, Central Files, 611.93/12-1257) For background on the case involving the Powells and Schuman, see footnote 7, Document 231.

⁶ Paragraph 5 to telegram 557 to Geneva, cited in footnote 2 above, reads as follows:

"If Wang proposes agreement on mutual judicial assistance in connection projected visit Communist China by defense counsel in Powell-Schuman case, advise him such agreement impossible and unnecessary. If Chinese Communists choose withhold cooperation with defense counsel in collection evidence for defense Powell-Schuman, this their own responsibility. US Government has no responsibility this regard."

⁷ The Chinese draft agreed announcement on judicial assistance, as conveyed to the Department in telegram 511 from Geneva, December 12, reads as follows:

"Agreed Announcement of the Ambassadors of the People's Republic of China and the United States of America concerning negotiations on judicial assistance. Ambassador Wang Ping-nan, on behalf of the Govt of the People's Republic of China, and Amb U. Alexis Johnson, on behalf of the Govt of the US of A, agree to announce:

"In order to give each other judicial assistance on the basis of equality and reciprocity, the Govt of the People's Republic of China and the Govt of the US of A deem it necessary to reach an agreement on judicial assistance between the two countries. The govts of the two countries decide to appoint experts to start negotiations on the substance and concrete arrangements of an agreement on judicial assistance between the two countries." (Department of State, Central Files, 611.93/12-1257)

305. Paper Prepared by Robert McClintock of the Policy Planning Staff ¹

[Washington,] December 31, 1957.

SUBJECT

Review of U.S. China Policy: A Pacific Settlement?

I. Introduction

A. Present U.S. Policy.

U.S. policy toward the Far East is established in NSC No. 5429/5 of December 22, 1954. U.S. policy toward Taiwan and the Government of the Republic of China is set out in NSC No. 5503 of June 15, 1955. A memorandum from the Assistant Secretary of State for Far Eastern Affairs, dated January 7, 1957, ² states that the Far Eastern Bureau sees no reason for change in these basic policies. FE summarized the policy in its position paper ³ for the NATO Ministerial Meeting in Bonn of May 2-4, 1957, as follows:

"The United States adheres steadfastly to the three main aspects of its China policy, which are to recognize and extend military and economic assistance to the Republic of China; not to recognize the so-called People's Republic of China; and to oppose the seating of this 'People's Republic' in the United Nations as the accredited representative of what the Charter calls the Republic of China."

The most recent reaffirmation of United States policy toward Communist China was the address of the Secretary of State before the convention of the Lions International at San Francisco on June 28, 1957. ⁴ Mr. Dulles refuted a number of arguments, including the precedent of Russia, the consequences of recognition, and the argument that diplomatic recognition is inevitable. The Secretary concluded:

"Our policies are readily adjustable to meet the requirements of changing conditions. But there are occasions when others, and not we, should provide the change. Nothing could be more dangerous than for the United States to operate on the theory that if hostile and evil forces do not quickly or readily change, then it is we who must change to meet them."

¹ Source: Department of State, PPS Files: Lot 67 D 548, China. Top Secret. There is nothing on the source text to indicate the origin or the ultimate disposition of this paper.

² Reference is to a memorandum from Robertson to Bowie, the subject of which was "Review of NSC 5503 in Light of Prochnow Committee Report". (*Ibid.*, Central Files, 611.93/1-957)

³ The position paper quoted here is *ibid.*, Conference Files: Lot 62 D 181, CF 871.

⁴ Document 268.

The purpose of this paper is not to take issue with the Secretary of State, but to examine all the elements of change, not only the possibilities of change by hostile and evil forces in Communist China. Change must be evaluated in our own people, among our allies and friends, among the overseas Chinese, and in two of our client countries in East Asia governed by leaders of advanced age, whose days are numbered.

These basic policies of the United States toward Communist China and the Government of the Republic of China on Taiwan have brought fruitful results. The ratification of the U.S.-China Mutual Defense Treaty, which was signed in Washington on December 2, 1954, undoubtedly prevented an attack against Taiwan by the armed forces of Communist China. The presence of massive and mobile U.S. retaliatory power in the Western Pacific, backing up our policies toward China, has indubitably served to preserve peace in the Western Pacific. The wise decision of the Secretary of State to agree to undertake limited diplomatic conversations with the representatives of Peking, which have been conducted now for over a period of two years, has served on the diplomatic front to preserve peace. Although the People's Republic of China has thus far refused to meet the main American point of renunciation of the use of force in accomplishing changes in the Western Pacific, the fact that the diplomatic conversations have been continued has in itself been an assurance against the outbreak of hostilities.

B. Changing Circumstances and U.S. Policy.

However, there have been changes in the situation in East Asia, both in regard to military strength and, on a worldwide basis, in the political position of the powers concerned. The Free World allies of the United States have shown an increasing skepticism of our policy, both as regards an embargo of trade with Communist China and with the contention that the Government of the Republic of China on Taiwan is in fact, to use the words of NSC 5503, the "only government of China . . . ⁵ the representative of China in the United Nations and other international bodies." The refusal of Great Britain, in the CHINCOM conversations in Paris, to apply a more stringent embargo policy towards Communist China than that it had accepted toward the USSR was generally followed by relaxation of trade controls throughout the Free World toward the regime in Peking. The statement by the President of the United States on June 4 ⁶ that such

⁵ Ellipsis in the source text.

⁶ At a press conference at the White House on June 4, President Eisenhower said, with respect to the question of liberalizing trade with the People's Republic of China: "I am personally of the school that believes that trade, in the long run, cannot be

Continued

a relaxation of trade controls seemed almost inevitable, may encourage a growing faction in the United States to urge a similar course. On the crucial question of who in the UN should be accepted as being truly representative of the people of China, an internal memorandum of IO, dated March 11, 1957,⁷ after evaluating the evidence of support in the 11th General Assembly for voting "not to consider" the question of Chinese representation, came to the conclusion that if the British were to decide not to continue the moratorium arrangement on this subject:

"In brief, it would appear that a shift in the British position will lead to enough other changes in the voting pattern in the General Assembly as to make it difficult to maintain the position of the Republic of China in the GA and the Specialized Agencies and would lead to the seating of the Communist regime. In several of the other international bodies, where the voting pattern has often been more precarious from our point of view, the position of the Republic of China would certainly be undermined and the Communist regime would be seated at the first opportunity."

In other words, there are sufficient evidences of change in the air to justify an inquiry, not as to the past validity of our China policies, but as to their future application unchanged in a changing world. Furthermore, it is helpful to recall that paragraph 9 of NSC 5429/5 outlining "Current Policy Toward the Far East" makes the following declaration:

"The United States should keep an open mind on the possibility of negotiating with the USSR and Communist China acceptable and enforceable agreements, whether limited to individual issues now outstanding or involving a general settlement of major issues."

II. Assessment of the Facts

The problem essentially is one of assessing the facts which are available and of drawing dispassionate conclusions from those facts. Unfortunately in the task of such an assessment, frequently diametrically opposed conclusions are drawn from the same evidence.

stopped. You are going to have either just authorized trade or you are going to have clandestine trade. You can stop the shipments from here. That is on the law, and that will be continued as long as it is on the law. But whether or not it should be, whether we should eliminate this differential, frankly, I don't see as much advantage in maintaining the differential as some people do, although I have never advocated its complete elimination." (*Public Papers of the Presidents of the United States: Dwight D. Eisenhower, 1957*, p. 105)

⁷ Not found in Department of State files.

A. Durability of the People's Republic of China

The first fact to be evaluated is the degree of stability and public support of the People's Republic of China. Most impartial observers are in agreement that the Peking Government is solidly in control of Mainland China. There is undoubtedly a widespread element of discontent under the communist regime, but for many centuries there have been similar elements of discontent in China against any regime which was incapable of fulfilling the almost limitless needs of the Chinese population. There seems little doubt that in the entire history of China no more effective military apparatus has been created. In the history of China this military force has for the first time been made up of indigenous elements, despite Red China's dependence on the USSR for many military and strategic supplies. The military striking power of China on the Mainland does not depend upon foreign stimulus as was the case when the great predatory movements from Peking were fired by northern blood from beyond the Wall.

1. Estimate of the Overseas Chinese.

The fact of Peking's supremacy on the Mainland is perhaps most readily revealed by the shift in the weather-vane loyalties of the overseas Chinese, one of the most over-valued minorities on the globe. These Chinese living abroad in other countries of Asia have as their basic patriotism a passionate devotion to the pocketbook. They are usually found on the winning side. If Chiang Kai-shek should be able to return to the Mainland and overthrow the communist regime, the overseas Chinese would have his picture everywhere. However, their current assessment results in an increasing display of the countenance of Mao Tse-tung. The overseas Chinese generally experience a feeling of vicarious pride that there is in their estimation a strong government in Peking, dominated by no foreign influence, which has brought about a recrudescence of Chinese power not witnessed in more than a hundred years, since the treaty which terminated the Opium War in 1842. We may not agree with this assessment, particularly in regard to foreign influence over the regime. However, most of the overseas Chinese in Asia are at present proud of Peking, and will not or do not see the menace of Communism enthroned in the Middle Kingdom.

B. Pressure of Population on Food Supply

The population of China is increasing at the rate of 12 million people a year. As the Peking regime strives to improve the economy, vast engineering projects for flood control will eventually reduce the perennial damage of flood and its corollary, famine. These works, combined with the application of modern public health techniques,

will result in an increase in population. Therefore the immemorial balance of nature in China is changing. As the birth rate continues to rise and the death rate goes down, there is a strong chance that for once Malthus' theory of the pressure of population on food supply will come into practical application. To counter his syllogism the Peking Government has instituted an ambitious program for increasing the food supply. The norm to be met by 1965 calls for no less than doubling the production of cereals in China. Whether in fact this goal can be attained before the increasing numbers of mouths to be fed cry for a change in policy is one of the mightiest questions which Mainland China and Asia must face. If in fact the food supply does not balance with the population's need, it seems inevitable that the rulers of China will look to filling their nation's wants by taking over the rice-bowl countries which fringe China to the south and west—Viet-Nam, Cambodia, Thailand and Burma. These countries, therefore, with India as an anxious spectator, will acquire an even more uneasy interest in the policies of Peking.

C. Time on Taiwan

On the Island of Taiwan time is running out. Embassy Taipei in its despatch No. 382 of March 5, 1957⁸ submitted impressive evidence, supported by excellent military analyses by the Army and Air Attachés, indicating that the armed forces of the GRC are now at their peak of efficiency in terms of manpower, training and war equipment. Soldiers from the Mainland in the nationalist forces will presently become overage, and it is calculated that if more than 30% of the GRC troops become of Taiwan origin, zeal to fight for a return to the Mainland will diminish below an acceptable level. It is likewise pointed out that Chiang Kai-shek, who conceives for himself an historic role in leading a return to the Mainland, is now 70 years old. Time, therefore, presses inexorably toward the point of diminishing return.

Our Military Attachés calculate that if a movement against the Mainland is not initiated within the next five to seven years it will not be possible for the GRC further to dream of reconquest. The Attachés provide lists of indicators, some or all of which would be present if the Chinese Government decided to initiate an attack against Mainland China. Perhaps the most disturbing of these indicators are the possibilities that an attack might be launched without warning, under the guise of large-scale maneuvers, or that the GRC might deliberately launch a provocative air strike to bring about a

⁸ Despatch 382 from Taipei is a nine-page assessment of the factors affecting the "return to the mainland" thesis on Taiwan. (Department of State, Central Files, 793.5/3-557)

counterattack by Chinese Communist forces which would then produce not only a *casus belli* but also a *casus foederis*. The question therefore becomes whether before the point of diminishing return is met the Chinese Government may go beyond the point of no return.

Our treaty obligations to the Republic of China are set out in the Mutual Defense Treaty signed at Washington on December 2, 1954. The exchange of notes of December 10, between the Secretary of State and the Foreign Minister of the GRC, states "it is agreed that such use of force will be a matter of joint agreement, subject to action of an emergency character which is clearly an exercise of the inherent right of self-defense." Chiang Kai-shek has on several occasions indicated that he will not undertake a return to the Mainland without consulting us in advance. However, if there should be a sudden retaliatory Communist air raid, his government might consider that it could embark on "action of an emergency character which is clearly an exercise of the inherent right of self-defense."

D. The Military Balance of Power

The United States, therefore, in assessing the facts on China is confronted with a powerful government on Mainland China controlling 600 million people and possessing a formidable war machine poised against the valiant government of the Republic of China on Taiwan controlling the destinies of some 10 million people of whom more than half are Mainland Chinese. The military balance of power as between the Governments of Peking and Taipei is made up by the presence of the U.S. 7th Fleet, of Strategic Air Command bases in the Western Pacific, and of American troops in Korea and Okinawa. There is at present an effective and continuing military balance of power as between the United States and Mainland China in the Western Pacific, including the *de facto* balances of power recognized by the arrangements terminating hostilities in divided Korea and divided Viet-Nam.

E. Admission of Red China to the United Nations

The political question most affecting the future of China and of greatest immediate importance, is the issue of which government of China should represent that country in the United Nations. According to the analysis quoted earlier in this paper, it would seem that the eventual admission of the Peking Government to the UN as representing all of China is inevitable. The British agreed once more this year that the moratorium on the question of China's admission to the UN should be continued through the 12th General Assembly. However, over the next decade it seems practically certain that with the change in attitudes which will take place following the relaxation of trade controls, the increase of power on the Mainland, and the super-

annuation of Chiang Kai-shek and his forces, our allies and the uncommitted countries will eventually concur in the opinion that the Government of Peking, which controls the Mainland of China and the destinies of 600 million inhabitants of the earth, is in truth the Government of China. The plain fact must be recognized that other nations have accepted the fiction that the GRC is one of the Big Five in the Security Council solely because of strenuous and unremitting pressure by the United States. The reflex to constant pressure on this point is growing less automatic. Eventually it will disappear and our allies along with the uncommitted countries will vote Peking into the seat occupied by Taipei.

F. Recognition of the Peoples Republic of China

The question of recognition of Peking is a corollary to the more immediate and basic issue of admission to the United Nations. There have been a number of indications that various countries of the Free World and of the so-called uncommitted area will condition their policy of non-recognition or recognition of Peking dependent upon the action taken in the United Nations. There is no doubt that once the Peoples Republic of China is admitted to the UN, recognition of Peking will be almost universal. Whether or not at that time the United States should recognize Peking will be a matter for determination in light of our self-interest.

G. "Face"

If and when the People's Republic of China is admitted to the United Nations as occupying the seat of the Republic of China, which is reserved for that country by the Charter, there will be an immense gain in prestige by Communist China throughout Asia and the world. There will ensue in consequence, because of the long-sustained and adamant opposition by the United States to the admission of Communist China to the UN, a corresponding loss of "face" for the United States. To the simple-minded, "The Commies won, the U.S. lost."

The question then becomes one of whether or not this Government believes that the admission of Communist China to the UN is in fact inevitable. From the evidence available, it seems to the writer of this paper that whether we like it or not within the not-too-distant future the government of Peking will be seated in the UN as representing China. The question then becomes: not that China *will* gain face and the United States lose face, but *how much* gain and loss of prestige and influence will be involved in this changed situation?

The argument can be advanced unhesitatingly that if the United States continues its present policy and is beaten, Red China will gain infinitely more in prestige and influence than if the United States

modifies its policy, recognizes the actual situation, and is able to negotiate a settlement with Mainland China which will be to our advantage. If such a settlement can in fact be negotiated before Red China is admitted to the UN, the impact on Asia of such admission will be far less. The United States will be respected as a realistic power, seeking to insure the peace of the Pacific. In terms of loss of face, therefore, there is much to be said for the United States now to reassess its China policy and to draw new conclusions from present facts.

It must be pointed out, however, that the time is now late to negotiate a settlement with Communist China which will produce as much advantage to the United States as when the diplomatic stakes for Peking were greater.

H. Alternative Courses for U.S.

1. Continuation of Present Policy

Before examining the outline of a potential settlement in the Pacific, it is only fair to examine the possibility of continuing our present policy unchanged. The United States, as paymaster of the Free World, can quite possibly contrive for another five years or so to dragoon the vote of the supposedly sovereign members of the UN to assure the continuing exclusion of Peking. Although we couch our policy in terms of purest principle, we should not, at least to ourselves, have any illusions as to the pragmatic basis from which our allies approach this problem. Paul-Henri Spaak⁹ of Belgium probably expressed the feeling most gently when he indicated within his own government that although he disagreed strongly with the Americans on their emotional attitude over the admission of Red China to the UN, the United States was nevertheless the leading power of the Free World and lesser friends of the U.S. should defer to its desire on this issue. Therefore, so long as the U.S. supplies not only the butter, but most of the bread, to many of the members of the UN, we can count with some assurance on being able in fact to buy their vote. Nevertheless, in the long run this will not suffice because our allies basically do not believe either in the practicality of excluding Mainland China or the principle which we assert is involved.

Similarly, although we can continue to insist that the government of the Republic of China is in the language of paragraph 7 of NSC 5503, "the only government of China . . . the representative of China in the United Nations and other international bodies," we have only about seven years in which to maintain this insistence, since Chiang Kai-shek is not immortal and seven years from now his

⁹ Secretary General of NATO.

army will have reached that critical point when one-third will be made up of Taiwanese.

We can, by continued deployment of our military strength in East Asia, confine China to the Mainland, but on the basis of recent evidence we cannot prevent increasing trade with China on the part of Western Europe and Japan. The question arises whether, given the working out of the Malthusian theory in the case of China's population and food supply, impelling the Government of Peking to look covetously on the rice-bowl countries of Southeast Asia, hostilities can be prevented in that area within the next decade unless policies designed to preserve the peace do not assume a greater degree of flexibility.

2. *A Negotiated Settlement.*

Although our leverage on Peking is slight because of the time factors adduced above, it would seem that we have more to gain by trying to negotiate a general settlement with Mainland China than by holding on to policies which time inevitably will change. A negotiated settlement will on the whole be pleasing to our allies in Europe and Japan. It will enlist the support of India and the Bandung powers generally. It will likewise cause concern in the Kremlin over the possibility of a crack in the Communist monolith. In this connection, it is worthwhile to recall that among the objectives of U.S. policy in the Far East is included (paragraph 4.d, NSC 5429/5) the continued goal of: "Disruption of the Sino-Soviet alliance through actions designed to intensify existing and potential areas of conflict or divergence of interest between the USSR and Communist China."

III. Outline of a Pacific Settlement

As an exercise in postulating a Pacific settlement, which although not possible of immediate attainment might nevertheless be negotiated within the next decade, there is set forth below the outline of an optimum arrangement to preserve the peace in the Pacific:

A. The United States would withdraw its opposition to the admission of the People's Republic of China to the United Nations, but would not vote in favor of such admission.

B. Taiwan would be admitted to the United Nations as the Independent Republic of Taiwan, neutralized, with its territorial integrity guaranteed by the signatory powers. Taiwan would in effect become the "Austria of East Asia."

C. Korea would be unified and neutralized, its independence and territorial integrity guaranteed by the signatory powers. Korea would be admitted to the UN.

D. As a corollary of "A" and "C", the existing armistice in Korea would be replaced by a treaty of peace through the agency of the United Nations, as a condition precedent to Red China's admis-

sion, and the People's Republic of China in seeking admission to the UN would accept the Charter provisions on peaceful settlement of international disputes.

E. Viet-Nam would be unified and neutralized and its independence and territorial integrity guaranteed by the signatory powers. Viet-Nam would be admitted to the UN.

F. Tibet would be neutralized, its independence and territorial integrity guaranteed by the limitrophe states, the USSR, China, India and Nepal. Simultaneously, Chinese troops would be withdrawn from Tibet. Tibet, if it desired, would be admitted to the UN.

G. The People's Republic of China would be recognized by the other signatory powers and reciprocally Peking would recognize the signatory powers not previously represented in that capital. Provisions here would be included, if still necessary, for the safe return of U.S. nationals held in Chinese prisons, and safeguards would be provided for the preservation of the liberties of American citizens in China similar to those undertaken by the Soviet Union in the Roosevelt-Litvinov exchange of notes of November 16, 1933.¹⁰

H. A general pact for peace in the Pacific would:

1. Renounce any use of force in the settlement of disputes, although preserving the inherent right of individual and collective self-defense under Article 51 of the UN Charter.

2. Specifically undertake not to modify frontiers except by peaceful means.

3. Guarantee the independence, territorial integrity and neutralization of Taiwan, Korea, Viet-Nam and Tibet.

4. Provide for participation by the People's Republic of China in UN work on international disarmament.

5. The signatories would be the People's Republic of China, the USSR, United States, Japan, India, United Kingdom, the limitrophe countries of Mainland China, including Nepal, Burma, Thailand and Laos; the so-called uncommitted countries of the area, including Cambodia, Indonesia and Malaya; and other interested Pacific powers, including the Philippines, Canada, Australia and New Zealand. The countries whose unification, independence and integrity is to be guaranteed along with neutralization—Korea, Taiwan, Viet-Nam and Tibet—would likewise be signatories at interest.

I. Critique of Proposed Settlement

1. Con

As indicated above, the foregoing is a maximum settlement. It is not at present within the realm of practical achievement. It is obvious that neither Syngman Rhee in Korea, Chiang Kai-shek in Taiwan, or Ngo Dinh Diem in Viet-Nam (to say nothing of Ho Chi

¹⁰ For the exchange of correspondence between President Franklin D. Roosevelt and Soviet Commissar for Foreign Affairs Maxim Litvinoff on November 16, 1933 relative to the extension of U.S. recognition of the Soviet Union, see *Foreign Relations*, 1933, vol. II, pp. 805-814.

Minh in the North), would under present circumstances agree to renounce their imagined opportunities for settlement wholly on their own terms. However, as repeatedly stressed in this paper, time is drawing very short for many of these protagonists on the Pacific stage.

a. PRC may choose to wait.

A more serious criticism of the proposed maximum settlement is the fact that the People's Republic of China may now feel that if, according to the evidence available to it, its admission to the United Nations is already assured, there is no real need to make concessions now to expedite the achievement of the inevitable. Furthermore, the People's Republic of China has consistently resisted any claim that Taiwan should not be considered as an integral part of Mainland China. Again, on its assessment of the evidence Peking may have concluded that the tenure of the Nationalists on Taiwan is brief and that all Mainland China need do is wait for the death of Chiang Kai-shek and the superannuation of his forces. The PRC may therefore refuse to consider the so-called "two China" concept. The Government in Peking similarly might prefer to take its chances of reunifying Korea and Viet-Nam on Communist terms, or, failing that, to maintain the present stalemate of divided regimes in both Korea and Viet-Nam. In Peking the giving up of suzerainty over Tibet might imply considerable loss of face. Peking thus far has resisted any proposal that it renounce the use of force in settlement of disputes and might prefer not to tie its hands in the future, particularly if it envisages the necessity of moving against the rice-bowl countries to the south and west.

b. Opposition of South Korea and Taiwan.

On the side of our allies in Taiwan and Korea, it is certain that their present governments would strenuously oppose neutralization, and the premature divulgence that such an objective was in view over the long run might in fact trigger off attacks made in desperation by Syngman Rhee and Chiang Kai-shek to utilize their optimum force while they still felt able to count on U.S. support. Of a similar nature would be the natural reluctance of the Government in Taiwan to give up its seat, as representing all of China in the United Nations, even if it should be compensated by being elected to membership in the UN as a new republic. Of much less importance is the argument that the seating of Communist China in the Security Council would provide another Communist veto, since two vetoes are no more obstructive than one.

2. Pro

The case for such a comprehensive Pacific settlement enlists a number of arguments. It can be maintained that the admission of the

People's Republic of China to the United Nations would lessen the immediate danger of Chinese aggression since the regime in Peking would know that the uncommitted countries of Asia would attach the utmost importance to this evidence of peaceful intent by Peking's acceptance of the Charter's responsibilities. The recognition of the establishment of a new state in Taiwan might not on either side rule out some eventual other settlement by mutual agreement with whatever government controls Mainland China over the next century. The creation of neutral buffer states on the periphery of China would lessen the danger of war in the Pacific and Southeast Asia.

a. *Neutralization Will Ease Burden of US Aid.*

Here digression is warranted to state a thesis of great importance to the American Government. It is generally concluded that we cannot continue indefinitely to expend vast sums of money on our bifurcated or insular allies in Asia, such as South Korea, South Viet-Nam and Taiwan, but no long-range policy has brought forth how to reduce the recurring annual charge. It is submitted that neutralization of these countries and the guarantee of their integrity by the Pacific powers, plus India, is the most effective way of lifting from the American taxpayer this otherwise unending burden.

b. *Role of Japan in Neutralization of Korea.*

In the case of Korea, unification with neutralization and a guarantee of independence has the added advantage of bringing Japan once more into its historic role in the maintenance of Korea as a buffer state. Japan, since the year when the Spanish Armada was wrecked by storm in the English Channel and the similar Armada of Kublai Khan was wrecked by storm in the Yellow Sea, has never lost from sight the fact that "Korea is a dagger pointing at the heart of Japan." In the late 16th century Hideyoshi conquered Korea and in the campaign acquired a sufficiently large collection of human ears to make the well known mound called *nunobiki*. The Japanese in the late 19th century contested vigorously through diplomatic means against Yuan Shi Kai in Peking, and ultimately went to war with Russia over the issue of who should be dominant in Korea. In 1911 they annexed the so-called "Land of Morning Calm." Thus in the history of Japan there has developed an almost automatic reflex on the question of the governance of Korea. If this peninsula should be neutralized under a Pacific settlement, we could look to the Japanese as certain and eager guarantors of its independence and neutrality as an essential buffer between Japan and its dangerous neighbors in Asia, China and the USSR.

c. *Viet-Nam and the Rice-Bowl Countries.*

Similar considerations prevail in the case of a unified and neutralized Viet-Nam. Other than China, the countries closest to Viet-Nam regard this Annamite state with fear. They recall that for

almost one thousand years the Tonkin was under Chinese suzerainty. The rice-bowl countries such as Cambodia, Laos, Thailand and Burma fear that Viet-Nam may once more be used as a route for Chinese aggression. India, which sees its strategic frontier lying on the Mekong, would likewise be an enthusiastic guarantor of a neutralized Viet-Nam, as this would complete its carefully contrived ring of neutral buffer states around the periphery of China from Nepal to the South China Sea. The SEATO powers should welcome the neutralization of a unified Viet-Nam as removing one of the principal sources of possible future conflict in the area covered by that treaty. This arrangement for Viet-Nam coupled with a pledge not to undertake frontier modifications except by peaceful means would go far to reassuring the rice-bowl countries against the fear of Chinese aggression in case Malthus' theory works out in Mainland China.

d. *Taiwan.*

As for the loss of Taiwan as a potential U.S. military base supposedly integral to the island chain which forms our guerdon against Mainland China, it has already been pointed out that the Nationalist forces, like their leader, are heading downhill toward superannuation. Furthermore, with the increased range of aircraft, the mobility of the 7th Fleet and the development of long-range missiles, it would seem that other U.S. strategic bases in Okinawa, the Philippines and Guam would permit the relinquishment of Taiwan as a military base, guaranteed in its neutrality by the other Pacific powers. The Offshore Islands, a continuing exacerbation, should be returned to Mainland China as a *douceur*, with provisions for their permanent demilitarization.

e. *India.*

A factor of very great importance in the proposed settlement would be the involvement of India as a guaranteeing power. The signature by India of such a pact would place that country essentially on the side of the West, since the United States does not intend to resort to force to alter the situation in East Asia and there is considerable reason to believe that China has not yet reached the decision to renounce the use of force. If this analysis is correct, India, despite its professed neutralism, by entering such a Pacific Pact would ipso facto find itself ranged with the United States and not with Communist China.

f. *Schism between China and USSR?*

The final argument in favor of a Pacific settlement is that the recognition of the People's Republic of China as a Pacific power and its admission to the United Nations might start the process of schism between China and the USSR which as stated above is an objective of our policy. The admission of China to a Pacific Pact would turn its diplomacy elsewhere than toward reinforcing the policies of the

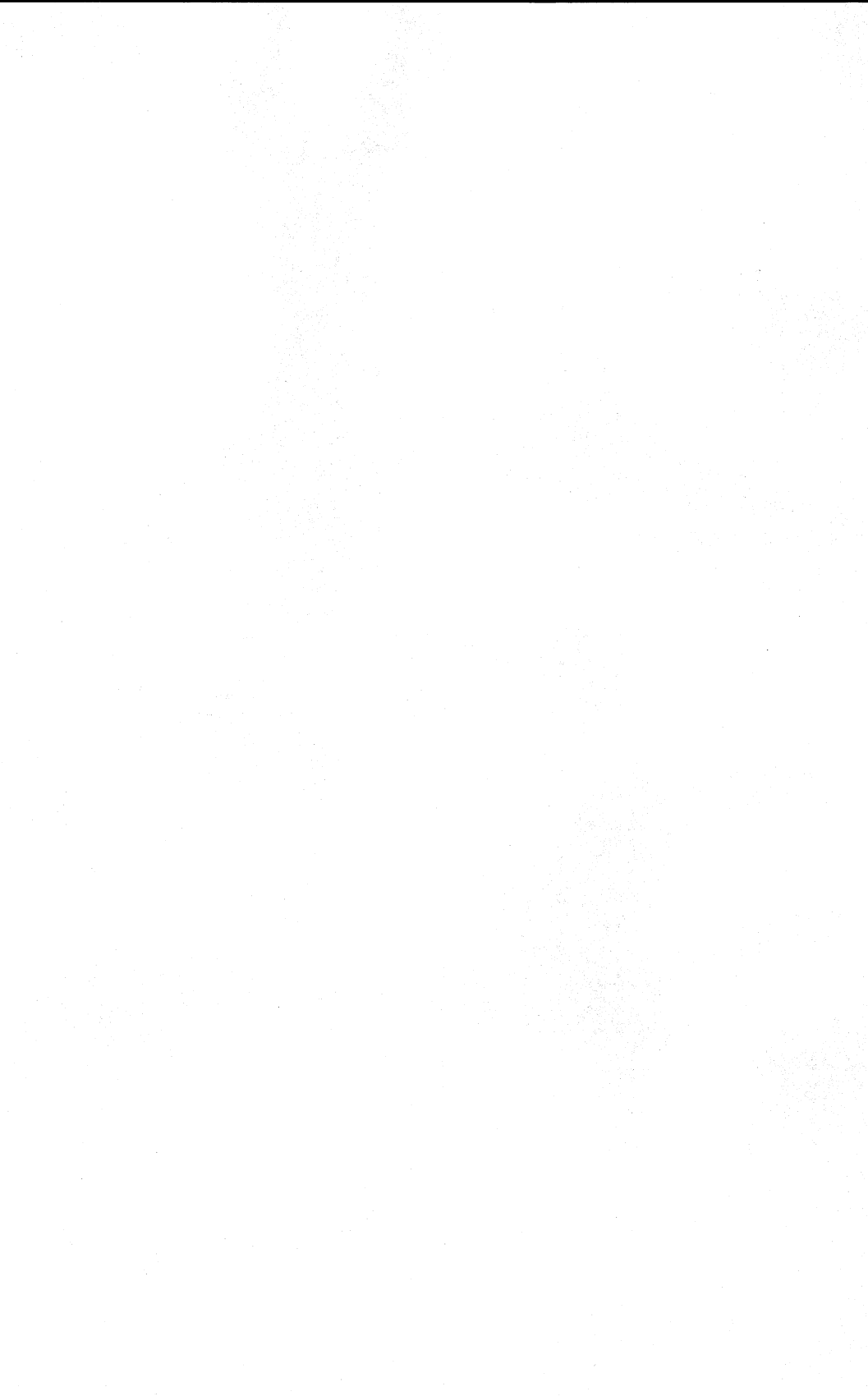
Soviet Union and of seeking to play a role in satellite Europe. Over a very long view, the secular processes of change in China justify the hope that the impetus of such a Pacific Pact might lead to an eventual shift in the internal control of China and to the development of a regime which might be far different from that managed by the present doctrinaire exponents of Marxism.

IV. Conclusion

Unless the United States accommodates itself to the mutations of time, we shall find that time works against us. In the long run, the things we seek most to prevent by our present policies may with the passage of the years transpire, and without the United States having been able to wrest what minimal advantages may yet exist in an inauspicious situation. However, over the longer range, and by canalizing the interests of the Asian powers to sustain a definitive Pacific settlement, it should be possible to assure the maintenance of peace in East Asia with a corresponding reduction in U.S. military and economic expenditure, and the possibility of China evolving first, to become a power not beholden to the USSR, and eventually a power not dominated by Marxist doctrine.

Change, as the Secretary said, is the word: change in China, change in East and South Asia, change in the United States; change to meet in settlement for the peace of the Pacific.

Index



Index

Editor's Note: In the index, annotation, and documents of this volume, the spelling of Chinese names follows the Wade-Giles system of transliteration, according to contemporary usage.

- Adams, Sherman, 333-334
 Adenauer, Konrad, 112
 Agricultural commodities, surplus, 569-570, 637-638
 American Assembly, 451
 American Civil Liberties Union (ACLU), 473
 American Newspaper Publishers Association (ANPA), 575-576
 American Red Cross, 428
 American Society of Newspaper Editors, 475
 Amory, Robert, 51_n
 Anderson, Dillon, 154, 210-211, 214, 227, 372
 ANZUS Council, 101
 Armstrong, W. Park, Jr., 370, 465
 Arndt, Karl M., 160
 Arneson, R. Gordon, 573
 Arnold, Col. John K., 59
 Asia, 324, 342-344, 649-653
 Atomic weapons, possible use of, 134, 232, 244, 248, 345, 414
- Bandung Conference, 16, 504
 Barker, Col. Walter E., 530-531
 Bartholemew, Frank, 492-493
 Bassett, Maj. Gen. Harold H., 627
 Beam, Jacob D., 639_n, 641, 643-644
 Becker, Loftus, 575, 581-583, 635_n
 Belgium, 81-84
 Bennett, W. Tapley, 425, 534, 549, 556, 577_n
 Berding, Andrew F., 520_n, 574_n, 575, 577, 581_n, 635_n
 Bermuda Conference, 510
 Bernau, Phyllis D., 408_n, 417_n, 639_n /
 Bohlen, Charles E., 53-54, 171_n
 Bonbright, James C.H., 641
 Bowen, Gen. Frank Sayles, Jr., 524, 627
- Bowie, Robert R., 51, 545-549
 Bradshaw, Wilda, 189, 205, 208, 224, 339
 Brown, Robert, 525, 538
 Brundage, Percival, 615
 Bunker, Ellsworth, 419_n
 Burdett, William C., 362_n
 Burma, 57, 116, 254, 455, 503, 509
- Cambodia, 503, 508-509
 Ceylon, 324, 503
 Chang Han-fu, 123-124, 147_n, 177, 573
 Ch'en Ch'eng, 589, 591, 628-629
 Chen Yun, 235
 Chiang Ching-kuo, 589, 591, 626-629
 Chiang Kai-shek, Generalissimo, 454-455, 589, 669-670
 China, Republic of:
 Economic situation, 179-180
 Military situation, 122, 126-127,
 United States, relations with, 181_n,
 341-344
 Taipei riot, 538-540, 626
 U.S. military assistance, 48
 Paratroopers, training of, 624
 Chinese Nationalist Offshore Islands, 15, 395, 397
 Communism, 398_n, 399-403, 446, 455-456
 Geneva talks between the United States and the People's Republic of China, 121-122
 Nationalist return to mainland, 329, 331-332, 343, 346-349, 411-415, 517, 604-607
 Soviet Union, 327-330, 344-346
 Chiang Kai-shek, Madame, 401, 413, 607

- China, People's Republic of (*see also* Chinese nationals in the United States; Geneva talks between the United States and the People's Republic of China):
- Agriculture, 551-552
 - Asia, role in, 649-653
 - Border disputes, 246
 - China, Republic of, possible attacks by, 51, 67-69, 123*n*
 - Communist Party, 237
 - Diplomatic recognition, 81-84, 362-364, 669
 - U.S. position, 86-87, 545-546, 558*n*, 559-561, 563-566, 573, 666
 - Economic situation, 230-232, 238-241, 244-245, 497-501
 - Decentralization, 640-641
 - Economic and trade sanctions against:
 - Communist position, 3, 5*n*, 171-172, 423*n*, 430-431
 - U.K. position, 209-214, 225-229
 - U.S. position, 108, 125-126, 149-150, 240-241, 409*n*, 410*n*, 483, 661-662
 - Force, renunciation of the use of (*see under* Geneva talks between the United States and the People's Republic of China)
 - Foreign policy, 232-233, 248, 498, 502-506
 - Future of, 491-492, 506-510
 - Hundred Flowers campaign, 551-552, 577-578, 605
 - India, relations with, 249, 254
 - Japan, trade with, 503
 - Military situation:
 - Atomic weapons, possible use of, 232, 244
 - Buildup of forces, 202, 364, 408*n*, 555-556
 - Military strength, 232, 241-245, 370, 443, 488, 497-498, 501, 665
 - National Defense Council, 236
 - National People's Conference, 401
 - National People's Congress, 567-568, 569*n*, 578
 - Pakistan, relations with, 448-451, 503
 - Paracel Islands, 377-381
 - People's Liberation Army, 501
 - People's Revolutionary Military Council, 236
 - Political situation, 235-238, 497, 550-552, 577-578, 580-581
- China, People's Republic of—Continued
- Population pressures, 663-664
 - Repatriation of Chinese and U.S. nationals (*see under* Geneva talks between the United States and the People's Republic of China)
 - Soviet military assistance, 203
 - Soviet Union, relations with, 232, 245-247, 465, 498, 502-503, 564, 672-673
 - Taiwan, position toward, 252, 504-505, 508
 - U.N. membership:
 - China, Republic of, position, 402-403
 - U.K. position, 290, 299-300, 631, 662
 - U.S. courses of action in the event of, 470-473, 547-549
 - U.S. policies, 398-399, 460, 561-562, 592, 660, 662, 665-667
 - United Kingdom, relations with, 324-325
 - United States, relations with (*see also* Visits by U.S. nationals, *below*), 3-5, 10, 60, 71, 234, 255-256, 398, 505, 507-508
 - Ambassadorial talks (*see* Geneva talks between the United States and the People's Republic of China)
 - Ministerial talks with, possibility of:
 - Burmese position, 116-118
 - China, Republic of, opposition to, 22, 24-25
 - Position re, 272*n*
 - U.S. position, 16, 107-108, 116
 - Trade and cultural exchange, possibility of, 432, 451-452, 562-563
 - U.S. Congressional action re, 132-134
 - U.S. missionaries in, 89, 99, 437-440, 487
 - U.S. nationals imprisoned in (*see also* Repatriation of Chinese and U.S. nationals *under* Geneva talks between the United States and the People's Republic of China):
 - Fliers, 1-4, 42
 - Hammarskjöld's role in negotiations re, 11-12, 18-19
 - Treatment of, 7-8, 41-42, 60, 98-99
 - U.S. military personnel, 156, 174, 608, 632, 657*n*
 - U.S. public opinion, 59, 134-135, 452-454
 - U.S. Navy plane incident, 424, 429
 - U.S. passports in, 581-583

China, People's Republic of—Continued
U.S. policies toward, 185-187, 291-293,
545-549, 660

Visits by U.S. nationals:

News pool, 492-493, 513-514, 520-
522, 574-577, 581-585, 600-601,
630-631

Relatives of prisoners, 635-636

Reporters, invitations to, 416-418,
420*n*, 421-422, 452-454, 461-
462, 468-470, 473-475

U.S. position, 477-479, 481-487

China, Republic of (*see also* Taiwan):

Agreements with the United States (*see also* United States, relations with
below):

Mutual Defense Assistance Agree-
ment (1951), 387

Mutual Defense Treaty, (Dec. 1954),
68, 80, 112, 158-159, 204, 289,
387-388, 517, 648*n*, 661

Anti-Americanism, 536, 628*n*, 629

China, People's Republic of:

Attacks on, 51, 67-69, 123*n*

Objectives in, 504-505, 508

U.N. membership, 402-403

Chinese nationals in the United States,
429

Communist espionage, 69-70

Economic situation, 160, 167-169, 179-
180, 391-393

Food Bureau, 160, 168, 180

Force, renunciation of the use of, atti-
tude toward, 175-176, 178*n*, 185*n*,
186*n*, 255-256

Geneva talks between the United
States and the People's Republic of
China, 22, 24-25, 69, 140-141,
175-176, 279-282

Military situation:

Defense of, 122, 259-267, 271-275,
277-279, 305-306, 316-317, 542-
544, 627-628, 633-634, 645-648

Military strength, 126-127, 164, 388-
399, 442-444, 457-459, 489-490,
597-598, 653-657

Morale, 159, 624, 627-628

Troop deployment to offshore is-
lands, 13, 91-92

Nationalist return to mainland:

Chiang Kai-shek position, 329, 331-
332, 343, 346-349, 411-415, 517,
604-607

China, Republic of—Continued
Nationalist return to mainland—Con-
tinued

Likelihood of, 159, 510-513, 515-518,
664-665

U.S. position, 300-302, 331, 349-352,
361-362, 587-588, 612-615

Political situation, 436-437, 585-593

Tactical missiles, U.S. deployment of,
283-284, 356-357, 406-407, 425,
458, 490, 493-495, 522-523

United States, relations with (*see also*
Agreements with the United States
above; U.S. subheadings *below*), 139-
143, 157-162, 341-344, 363

Independent military action, U.S. op-
position to, 51, 645-648, 655-
656, 664-665

Status-of-forces negotiations, 282-
283, 536, 541, 543

Taipei riot, 525-543, 589, 624-627

U.S. economic assistance, 120-121, 569-
570, 637-639

U.S. military assistance, 141, 155, 352,
386-394, 407-408, 543, 614-616

Kung Quan airbase, 120, 122, 132*n*,
186, 189, 459, 464, 490

Paratroopers, training of, 614, 624,
627, 629, 633-634

Reserve program, 47-49

Withdrawal of forces, 135*n*, 136-138,
145, 150-151, 217

U.S. policies toward, 153-154, 188-189,
332-333, 371, 463-464, 519, 593-
599, 609-623, 660

China Committee of the Paris Consulta-
tive Group (CHINCOM), 108, 126,
149, 186, 210, 212, 483

China Monthly Review, 468*n*

CHINCOM. *See* China Committee of the
Paris Consultative Group.

Chinese Nationalist Offshore Islands:

Communist attacks on, 68, 233, 340-
341

Defense of, 91-92, 202-205, 287-289,
293-294, 315-316, 364

Little Quemoy, 555

MAAG advisers, 395-397, 425-426, 555

Matsu, 120, 205, 375, 395-396

Quemoy, 13, 205, 395-396, 555

U.S. policies, 15-16, 111-112, 372, 489,
604, 617-618, 621

- Chinese nationals in the United States:
 Prisoners, 368-369, 373-376, 381-384, 410, 428-429, 445-446, 480*n*
 Students (*see* Repatriation of Chinese and U.S. nationals *under* Geneva talks between the United States and the People's Republic of China.)
- Chinese overseas communities. *See* Overseas Chinese.
- Chinese Petroleum Company, 180
- Chou En-lai, 235-236, 452-453, 567-569, 640
 Foreign policy, 5, 79-80, 319, 404*n*, 560, 573
 Repatriation of Chinese and U.S. nationals, 18, 39, 44, 57, 123*n*, 148*n*
 Sino-Soviet relations, 232, 245-247, 465
 Taiwan, 123*n*, 504-505, 508
 Two-China issue, 110, 642-643
- Chu Teh, 235
- Chushan Islands, 424
- Clifford, Rev. John William, 405
- Clough, Ralph N., 206*n*, 208*n*, 224*n*, 256*n*, 284*n*, 362*n*, 425*n*, 432*n*, 549-552, 579*n*, 608*n*, 630*n*, 632*n*, 633*n*, 635*n*, 637*n*, 643*n*, 653*n*
- Cochran, William P., Jr., 47, 143
- COCOM. *See* Coordinating Committee of the Paris Consultative Group.
- Coleman, John S., 451
- Colm, Peter W., 580*n*
- Colonialism, 343, 506
- Comiskey, Stephen A.J., 493, 510, 519, 524
- Communism, 325-326, 342-343, 397-398, 446-448, 462-463
- Communist Party, Twentieth Congress, 325, 345
- COMTAIWANDEFCON(US). *See* Doyle, Vice Adm. Austin K.
- Congress, U.S., 132-134
 Acts of:
 Joint Resolution (P.L. 4) (1955), 617-618
 Mutual Defense Assistance Agreement (1951), 387
 Mutual Defense Treaty (Dec. 1954), 68, 80, 112, 158-159, 204, 289, 387-388, 517, 648*n*, 661
 Refugee Relief Act (1953), 8
 Trading with the Enemy Act, 582*n*
- Cooper, John Sherman, 3*n*
- Coordinating Committee of the Paris Consultative Group (COCOM), 108, 210, 212
- Cordier, Andrew W., 11-12
- Craig, Pfc. Paul E., 146
- Cumming, Hugh S., Jr., 580-581, 640-643
- Cuthell, David Cameron, 380*n*
- Cutler, Robert, 609-611, 613-615, 617
- Dairen, 246
- Davis, Arthur C., 13-14
- Dean, Brig. Gen. F.M., 627
- Dennis, Alfred P., 81
- Dillon, Thomas P., 567-569, 600-601
- Diplomatic recognition, principles *re*, 563-564
- Dowling, Walter C., 603-607
- Downey, John T., 14, 608
- Downey, Mary, 635
- Doyle, Vice Adm. Austin K., 627, 645, 646*n*, 647*n*, 648*n*
- Drumwright, Everett F., 629*n*
- DuGay, Eva Stella, 99
- Dulles, Allen W., 153*n*, 226-227
 China, People's Republic of:
 Egyptian recognition, 363-364
 Political situation, 553
 China, Republic of, U.S. military assistance to, 408*n*, 409*n*
- Chinese Nationalist Offshore Islands, 555-556
 Taipei riot, 541
- Dulles, John Foster, 38*n*, 58*n*, 75*n*, 103*n*, 110*n*, 131*n*, 189*n*, 221*n*, 307*n*, 309*n*, 353*n*, 462, 644
- Asian political situation, 324
- China, People's Republic of:
 Diplomatic recognition of, 362-363
 Economic and trade sanctions against, 108, 149, 209-213, 226-227, 483
 Military situation, 294
 U.N. membership, 290, 460
 United States, ministerial talks with, possibility of, 16, 107-108, 116
 U.S. nationals imprisoned in, 11-12, 16, 41*n*
 U.S. policies toward, 10-11, 166-167, 291-293, 491-492, 558-566
 Visits by U.S. nationals, 477-479, 481-487
 News pool, 513-514, 520-522, 574-577, 583-585

- Dulles, John Foster—Continued
 China, People's Republic of—Continued
 Visits by U.S. nationals—Continued
 News reporters, invitation to, 416*n*, 417-418, 452, 474*n*, 477-479, 481-487, 492-493
- China, Republic of:
 Communist threat to, 305-306
 Military situation, 67-69
 Nationalist return to the mainland, 612-615
 Tactical missiles, U.S. deployment, 425
 United States, relations with, 109
 Taipei riot, 527-528, 541
 U.S. military assistance, 408*n*, 409*n*
 U.S. policies toward, 332-333, 610-617
- Chinese Nationalist Offshore Islands, 15
 Communist attacks on, 372, 555, 557
 Defense of, 364
 U.S. policy, 111-112
- Chinese in U.S. prisons, 383-384
- Communism, 325-326
- Force, renunciation of the use of:
 Chinese counterproposal, 358-359
 U.S. position, 5-6, 206-207
- Geneva talks between the United States and the People's Republic of China, 17, 26, 32-33, 129-131
 Agenda and procedures, 94, 102-103
 Assessment of, 191-193, 286-287
 Downgrading of, 639
 Time limit for, 364
 U.S. guidance for, 50, 97-99, 124-125, 189-191, 205-209, 221-222, 224-225, 256-258, 269, 275-276, 284-286, 303-304
- Paracel Islands, 380-381
- Repatriation of Chinese and U.S. nationals:
 Agreed Announcement, 54-56
 Implementation of, 108-109, 117
 Third-party roles in, 44, 57, 92-93, 177-178
 Unilateral declaration re, 29-30
 U.S. position, 38-39, 62-63, 66-67, 72, 460-461
- Soviet Union:
 Political situation, 330
 Talks with the United States, 171-173
- Tuapse* incident, 172-173
- Dulles, John Foster—Continued
 Two-China question, 110
- Duncan, Adm. Donald B., 13
- Dwight, William, 475*n*, 575, 577
- Eden, Anthony, 293-294
- Egypt, 362-364, 503
- Eisenhower, Dwight David, 102*n*, 111, 618*n*
- China, People's Republic of:
 Economic and trade sanctions against, 210-214, 226-229, 661-662
 U.S. nationals imprisoned in, 453-454
 U.S. recognition of, 558*n*
 Visits by U.S. nationals, 417-418, 478, 483, 576*n*, 583
- China, Republic of:
 Nationalist return to mainland, 361-362, 613-614
 Taipei riot, 527-528
- Chinese Nationalist Offshore Islands, 293-294, 372, 555
- Communism, 462-463, 605
- Geneva talks between the United States and the People's Republic of China, 6
- Korea, 305
- Ekvall, Lt. Col. Robert B., 58
- Fecteau, Richard George, 14, 608
- Ferguson, Homer, 121
- Flemming, Arthur S., 305
- Forman, Douglas N., 425, 463
- Formosa. *See* Taiwan.
- Foster, William Z., 331
- France, 378
- Fulbright, William, 513
- Geneva talks between the United States and the People's Republic of China, 95-96, 267
 Adverse effects, 432-434
 Agenda and procedures, 1-3, 10, 21, 75-76, 90, 94, 99, 102-103, 106-107, 113
 China, People's Republic of, policies, 136-138
 China, Republic of, position, 69, 140-141, 279-282, 295-300, 307-309
 Downgrading of, 639, 641-644, 657-659

Geneva talks between the United States and the People's Republic of China—Continued

Force, renunciation of the use of:

Agreed Announcement:

China, People's Republic of, draft, 145_n, 149, 151-152, 170

Chinese counterproposal, 269, 357-360, 366-367

Discussion re, 181-185, 193-200

U.S. draft, 148_n, 162-164, 165, 171, 173-175, 206_n, 207_n, 218-222, 257_n, 258_n, 336-337, 353-356

China, People's Republic of, position, 113-114, 319-320

China, Republic of, position, 109-110, 175-176, 178_n, 185_n, 186_n

Formosa, application to, 269-273, 384-385, 404-405

Negotiations re, 118, 128, 155-156, 334-335

Self-defense clause, 302

U.S. position, 79-80, 103-105, 125, 138_n, 147-148, 206

Formosa dispute, 216-218

Indian position, 129-131

Judicial assistance, 659

News reporters, exchange of, 601-603

Press statements, 90, 93, 95, 376-377

Repatriation of Chinese and U.S. nationals (*see also* U.S. nationals imprisoned in *under* China, People's Republic of):

Agreed Announcement:

Draft proposals, 27-29, 32-33, 36-41, 50, 54-56, 61-65, 66-67, 72-74, 76-77, 84-85

Implementation of, 90, 100, 105-106, 114-117, 124-125, 148_n, 215-216, 223, 258_n

Text, 85-86

China, People's Republic of, position, 65-66, 319

Chinese judicial processes, 35, 42, 52

Chinese nationals in the United States:

Prisoners, 368-369, 373-376, 381-384, 410, 428-429, 444-446, 480_n

Status of, 17-18, 270-271

Students, 8-10, 14-15, 17-20, 23, 105-106, 335

Exchange of lists of potential repatriates, 14-15

Geneva talks between the United States and the People's Republic of China—Continued

Repatriation of Chinese and U.S. nationals—Continued

Free return, principle of, 26, 276

Indian role (*see also* Prisoners *under* Chinese nationals in the United States *above*), 27-28, 30, 36_n, 37_n, 85-86, 88_n, 92-93, 95, 98, 130-131

Notification of imprisoned U.S. nationals, 89, 101, 114, 177

Soviet role in, 44, 53-54

Timetable for, 35, 58, 75-76

U.K. role in, 97-98, 123-125, 177-178

Unilateral declarations re, 30, 34

U.S. position, 71

U.S. protest against Chinese delays, 205-206

U.S. tactics, 42-43, 173, 189-190

Stalemate in, 302-303, 306-307, 317-318, 321-323, 339, 418-420, 422-424, 427-428, 466, 495-496, 570-582

Time limit for, 364, 366-368

Trade and cultural exchanges, 451-452

U.S. assessment, 31, 191-193, 201, 286-287

U.S. Congressional involvement, 101, 131-132

U.S. guidance for, 224-225, 256-258, 284-286, 303-304, 309, 446-470, 473-476

U.S. position, 87-88, 143-144, 147-148, 466-468

George, Walter F., 10-11, 16, 101

Gleason, S. Everett, 209_n, 225_n, 363_n, 371_n, 540, 552, 554, 609_n, 611_n

Gleysteen, Culver, 573_n

Goa, 130

Goodkind, Louis W., 149

Goodpaster, Col. Andrew J., 294, 462

Gordon, Frederick D., 89

Gowen, Franklin C., 1_n

Grantham, Alexander, 123_n

Gray, Gordon, 407-408

Green, Theodore, 483

Greene, Joseph N., Jr., 459, 462

Griffin, Adm. Charles D., 456

Gruson, Sydney, 552

Hagerty, James C., 583_n

- Hammarskjöld, Dag, 11-12, 18-19, 572_n, 608_n
 Harrington, Philip, 462, 470, 473
 Harris, Maj. Gen. Hunter, 335
 Hedding, Rear Adm. Truman J., 127_n, 315-317
 Henderson, Loy W., 69, 643_n
 Herter, Christian, 600-601, 603-607, 612, 633_n
 Higgins, Marguerite, 369_n
 Hildreth, Horace, 448-451
 Ho Chi Minh, 250_n, 669-670
 Hollister, John B., 120, 122
 Hong Kong, 510
 Hoover, Herbert C., Jr., 333_n
 China, People's Republic of, 81-83, 86-87, 186
 China, Republic of, 119-123
 Geneva talks between the United States and the People's Republic of China:
 China, Republic of, position, 307-309
 Force, renunciation of the use of, 103-105, 162-164
 U.S. guidance for, 75-76, 87-88, 143-144, 147-148, 173-174, 309
 Houle, John Alexander, 134, 335
 Howe, Fisher, 476, 481, 513
 Hu, Col. S.K., 411_n
 Hu Feng, 238
 Hu Shih, 613
 Huang Hua, 479
 Hughes, Charles Evans, 471
 Humphrey, George M., 211-212, 305-306, 364
 Hundred Flowers campaign. *See under* China, People's Republic of.
 Hungary, 455-456, 459, 551, 655-656
 Hurleigh, Robert, 575
 Hyde, Joseph Eugene, 89
 India:
 China, People's Republic of:
 Diplomatic recognition, 503
 Relations with, 249, 254, 504, 509, 652
 Geneva talks between the United States and the People's Republic of China, 3-5, 129-131, 318-320
 Pacific peace settlement, 672
 Political situation, 324
 Repatriation of Chinese and U.S. nationals:
 Chinese in U.S. prisons, 368, 373-374, 381-384, 429, 445-446, 480_n
 India—Continued
 Repatriation of Chinese and U.S. nationals—Continued
 Role in, 27-28, 30, 36_n, 37_n, 85-86, 88_n, 92-93, 95, 98, 429, 445-446, 480_n
 United States, relations with, 454-455
 Indochina, 233-234, 248, 250, 252-253
 Indonesia, 254-255, 324, 400, 503-504, 509, 655
 Ingersoll, Vice Adm. Stuart H., 315, 380_n, 530_n, 531_n
 Inner Mongolia, 605
 Institute of Revolutionary Practice, 534, 536-537
 Interdepartmental Committee on Certain U.S. Aid Programs (Prochnow Committee), 386, 660_n
 International Control Commission, 253
 Iran, 442-443
 Iraq, 442
 Jao Shu-shih, 236
 Japan, 249, 253-254, 399, 406, 503, 508, 652, 671
 Johnson, U. Alexis, 72, 92_n, 97_n, 144_n, 162_n
 China, People's Republic of:
 Economic and trade sanctions against, 119, 149-150, 409-410
 United States, relations with, 3
 Trade and cultural exchanges, 432, 451-452
 U.S. nationals imprisoned in, 7, 146
 Hammarskjöld role in negotiations re, 18-19
 Visits by U.S. nationals, 420_n, 601-603, 630-631
 China, Republic of:
 Tactical missiles, U.S. deployment of, 522-523
 Withdrawal of U.S. forces from, 145, 150-151
 Chinese nationals in the United States:
 Prisoners, 368-369, 373-376, 381-382, 385-386, 631-632
 Students, 9-10, 14-15, 19-20, 105-106, 335
 Force, renunciation of the use of:
 Chinese counterproposal, 357-358, 360, 366-367
 Chinese proposals, 149, 151-152, 170, 194_n

- Johnson, U. Alexis—Continued
 Force, renunciation of the use of—
 Continued
 Formosa, application to, 196-198,
 384-385, 404-405
 Negotiations re, 118, 128, 155, 181-
 185, 193-200, 334-335, 570-572
 Self-defense clause, 302
 U.S. policies, 79-80, 162_n, 163_n, 165,
 171, 174-175, 336-337
 U.S. proposals, 353-356
 Geneva talks between the United
 States and the People's Republic of
 China, 17_n, 95-96, 178_n, 229-230,
 259-269, 310_n, 311_n
 Agenda and procedures, 1-3, 10, 21,
 90, 99-100, 106-107, 113
 Assessment of, 31
 China, People's Republic of, policies,
 136-138
 Downgrading of, 641-642, 657-659
 Judicial assistance, 659
 Press leaks, 170
 Public statements re, 95, 376-377
 Stalemate in, 311-315, 317-318, 321-
 323, 339, 418-420, 422-424, 427-
 428, 434-436, 466, 495-496
 Time limit for, 368
 U.S. proposals for, 26_n, 35-38, 42-43,
 190_n, 218-220, 222_n
 Repatriation of Chinese and U.S. na-
 tionals:
 Agreed announcement, 55_n, 61, 63-
 65, 78, 85-86, 97_n, 223
 Implementation of, 102_n, 114-116,
 215-216, 479-481
 Chinese proposal, 27-29, 33
 Communist pressures on the United
 States, 302-303
 Deadlock over, 440-441, 444-445
 Formosa, dispute over, 216-218, 259-
 267, 271-274, 277-279
 Negotiations re, 14-15, 34, 39-41, 45-
 47, 52, 58-60, 65-66, 70-71, 73-
 74, 76-77, 84-85, 570-572, 579-
 580
 Public opinion re, 134-135
 Timetable for, 62_n
 U.S. nationals, notification of, 89
 Joint Chiefs of Staff, 441, 609-611, 618
 Jones, J. Jefferson, 98, 377-379, 380_n
 Jones, Jenkin, 484, 486-487
 Jordan, 589
 Joyce, James Gerald, 89
 Kahmann, William M., 362
 Kanady, Dilmus T., 98-99, 339, 354
 Kao Kang, 236-237
 Kardelj, Edvard, 166-167
 Kattenburg, Paul M., 380_n
 Kellogg-Briand Treaty, 104
 Kinmen. *See* Quemoy.
 Knowland, William F., 131-132
 Koo, V.K. Wellington:
 Chinese students in the United States,
 23-24
 Nationalist return to the mainland,
 301-302
 U.S.-People's Republic of China nego-
 tiations, 22, 24-25, 295-299
 Koop, Theodore, 575, 577
 Korea, 253, 305, 337, 343, 508, 668-671
 Korea, Democratic People's Republic of,
 502
 Korea, Republic of, 329, 332
 Korean war, 247, 468_n, 469, 560-562
 U.S. personnel missing-in-action, 115,
 125, 130, 146, 156
 Kuo Ting-liang, 69_n
 Lacey, John A., 569-570
 Laos, 504, 508-509
 Lay, James S., Jr., 609_n, 620
 League of Nations Covenant, 104
 Lee Li-chuen, 496
 Lew, James, 444
 Liberia, 589
 Lightner, E. Allan, 421_n
 Lin Lan-ying, 522-523, 571-572
 Little Quemoy, 555
 Liu An-hua, 270
 Liu Shao-chi, 235-236
 Liu Yung-ming, 303-304, 306-307
 Lloyd, John Selwyn, 288-290, 292
 Lodge, Henry Cabot, 608_n
 Luce, Henry, 485-487, 575, 577
 MAAG. *See* Military Assistance Advisory
 Group.
 Macao, 510
 McAuliffe, Eugene, 361_n
 McCarthy, Rev. Charles Joseph, 437-440
 McClintock, Robert, 470-473, 660-673

- McConaughy, Walter P., 17, 22*n*, 26*n*, 31*n*, 32*n*, 38*n*, 50*n*, 55*n*, 62*n*, 66*n*, 67*n*, 69*n*, 70*n*, 72*n*, 75*n*, 76*n*, 80*n*, 87*n*, 90*n*, 92*n*, 97*n*, 102*n*, 103, 107, 110*n*, 123*n*, 124*n*, 143*n*, 162*n*, 164*n*, 173*n*, 177*n*, 189*n*, 201*n*, 205*n*, 206*n*, 208*n*, 221*n*, 224*n*, 256*n*, 270*n*, 284*n*, 295*n*, 303*n*, 309*n*, 334*n*, 353*n*, 354*n*, 366*n*, 369*n*, 380*n*, 383*n*, 421*n*, 432*n*, 528
- China, People's Republic of:
Economic and trade sanctions against, 126, 409*n*, 410*n*, 430
U.S. reporters, invitation to, 473-475
- China, Republic of:
Nationalist return to the mainland, 510-513
Tactical missiles, U.S. deployment in, 490
Taipei riot, 524-526, 534-535, 541
U.S. policies toward, 519-520
- Chinese in U.S. prisons, 419*n*, 428-429
- Force, renunciation of the use of, 138*n*, 178*n*, 367*n*, 405*n*
- Geneva talks between the United States and the People's Republic of China, 310*n*, 311*n*, 432-434
Stalemate in, 317*n*, 322*n*
U.S. guidance for, 473-476
- Repatriation of Chinese and U.S. nationals, 314*n*, 438*n*
- MacDonald, Maj. John C., 51*n*
- McGuire, Perkins, 407
- Macmillan, Harold, 211
- Makins, Roger, 289
- Malaya, 255, 509, 558
- Malenkov, Georgiy Maksimilianovich, 53, 246
- Mao Tse-tung, 235, 246, 550-552
- Martin, Edwin W., 10, 639, 641, 643-644, 657-658
- Matador missiles. *See* Tactical missiles, U.S. deployment of *under* China, Republic of.
- Matsu, 120, 205, 335, 395-396
- Mehta, Gaganvihari Lallubhai, 98, 334, 383
- Menon, V.K. Krishna, 333-334
China, People's Republic of, economic and trade sanctions against, 3, 5*n*
Geneva talks between the United States and the People's Republic of China, 3-5, 129-131
Repatriation of Chinese and U.S. nationals, 3-4, 445-446
- Merchant, Livingston T., 294*n*
- Meyer, Paul W., 123*n*, 323*n*, 326*n*, 397*n*
- Military Assistance Advisory Group, Taiwan (MAAG):
China, Republic of, relations with, 141-142, 543
Chinese Nationalist Offshore Islands, 395-397, 425-426, 555
Shooting incident, 524-526
Troop deployment, 91-92
U.S. military assistance to the Republic of China, 127, 494, 634
- Miner, Charles Sydney, 222*n*
- Missionaries, 89, 99, 437-440, 487
- Molotov, Vyacheslav Mikhailovich, 111, 171-173, 246
- Mongolia, Inner, 605
- Mongolia, Outer, 246, 502
- Morris, Corp. Russel F., 156
- Murphy, Robert D., 87*n*, 411*n*, 416, 421-422, 495, 608
- National Council of Churches, U.S., 574
- National Intelligence Estimates:
NIE 13-2-57, 649-653
NIE 13-56, 230-255, 340
NIE 13-57, 497-510, 516*n*
NIE 43-2-47, 585-593, 609, 611
NIE 43-55, 153-154
NIE 43-56, 436-437, 515, 585*n*
NIE 100-5-56, 370, 372
NIE 100-55, 226*n*
Special National Intelligence Estimates:
SNIE 43-57, 515-518
SNIE 100-4-56, 340-341
- National Security Council:
Actions:
No. 1312, 365, 372, 609, 611
No. 1466, 154
No. 1487, 225-229
No. 1494, 228
No. 1562, 365, 372
No. 1568, 371
No. 1569, 372
No. 1624, 593, 609, 611, 618
No. 1727, 542
No. 1734, 554
No. 1739, 556
No. 1790, 610-611
No. 1794, 618-619
Chinese Nationalist Offshore Islands, 365
Documents:
NSC 5429/5, 209-214, 225-229, 668

National Security Council—Continued
Documents—Continued

NSC 5503, 365, 371-372, 463, 593-596, 598-599, 609, 611-620, 660*n*, 661

NSC 5707, 491-492

NSC 5723, 619-623

Nehru, Jawaharlal, 3*n*, 452-453

Nepal, 504

New China News Agency, 257*n*

Ngo Dinh Diem, 233, 399, 669

Nike missiles, 458, 490, 656

Nixon, Richard M., 211, 213, 397-404

Nu, U, 57*n*, 116, 250*n*

Oatis, William N., 485

O'Connor, Roderic L., 110*n*, 635*n*

O'Neill, Con, 97*n*, 123-124, 134*n*, 148*n*

Osborn, David L., 510, 608

Outer Mongolia, 246, 502

Overseas Chinese, 249, 255, 290-291, 296, 400-401, 459, 504, 560-561, 622, 663

Pakistan, 324, 442, 448-451, 461, 503, 509

Pao, Daniel, 335

Paracel Islands, 377-381

Paraguay, 589

Pathet Lao, 253

Pattle Island, 378, 379*n*, 380

Peng Te-huai, 109, 235

People's Daily, 573, 578, 581, 585

Philippines, 324, 342, 399, 509, 558

Phillips, Rev. Thomas Leonard, 405

Phleger, Herman, 55*n*, 57*n*, 62*n*, 66*n*, 67*n*, 72*n*, 75, 86*n*, 87*n*, 90*n*, 92*n*, 97*n*, 103*n*, 116*n*, 124*n*, 177*n*, 189*n*, 191*n*, 205*n*, 206*n*, 208*n*, 221*n*, 224*n*, 256*n*, 270*n*, 284*n*, 303*n*, 307*n*, 309*n*, 353*n*, 366*n*, 374*n*, 383*n*

Pilcher, James B., 454, 531-534

Port Arthur, 246

Powell, John W., 468-470, 659*n*

Powell, Sylvia, 468*n*, 469*n*, 659*n*

Pride, Vice Adm. Alfred M., 48, 120, 181

Prochnow, Herbert V., 386

Prochnow Committee, 386, 660*n*

Quarles, Donald, 260

Quemoy, 13, 205, 395-396, 555

Radford, Adm. Arthur W., 13*n*, 70, 426, 458-459

Radford, Adm. Arthur W.—Continued

China, People's Republic of, 211-213, 364

Chinese Nationalist Offshore Islands, 315-316, 364

Communism, 411-415

Raghavan, Nedyan, 318

Rankin, Karl Lott, 119*n*, 179, 380*n*, 395*n*, 629

China, People's Republic of:

United States, relations with, 255-256

U.S. Congressional action re, 132-134

China, Republic of:

Economic situation, 167-169, 179-180

Military situation, 126-127, 164, 654

Nationalist return to the mainland, 349-352

Tactical missiles, U.S. deployment of, 356-357

United States, relations with, 139-143, 157-162

Status of forces negotiations, 282-283

Taipei riot, 526-527, 535-540, 542-543

U.S. force reduction in, 542-544

U.S. policies, 188-189, 519-520

Chinese in U.S. prisons, 373-374

Chinese Nationalist Offshore Islands, 395-397

Force, renunciation of the use of, 175-176

Geneva talks between the United States and the People's Republic of China, 279-282, 641, 643-644

Red Cross, American, 428

Refugee Relief Act (1953), 8

Reinhardt, G. Frederick, 380*n*

Reynolds, Sgt. Robert G., 524-525, 533, 539, 541

Rhee, Syngman, 16, 655, 669-670

Richards, James P., 10-11, 101, 607, 612, 616, 618, 624-629

Robert Island, 379*n*, 380

Robertson, Reuben B., Jr., 155

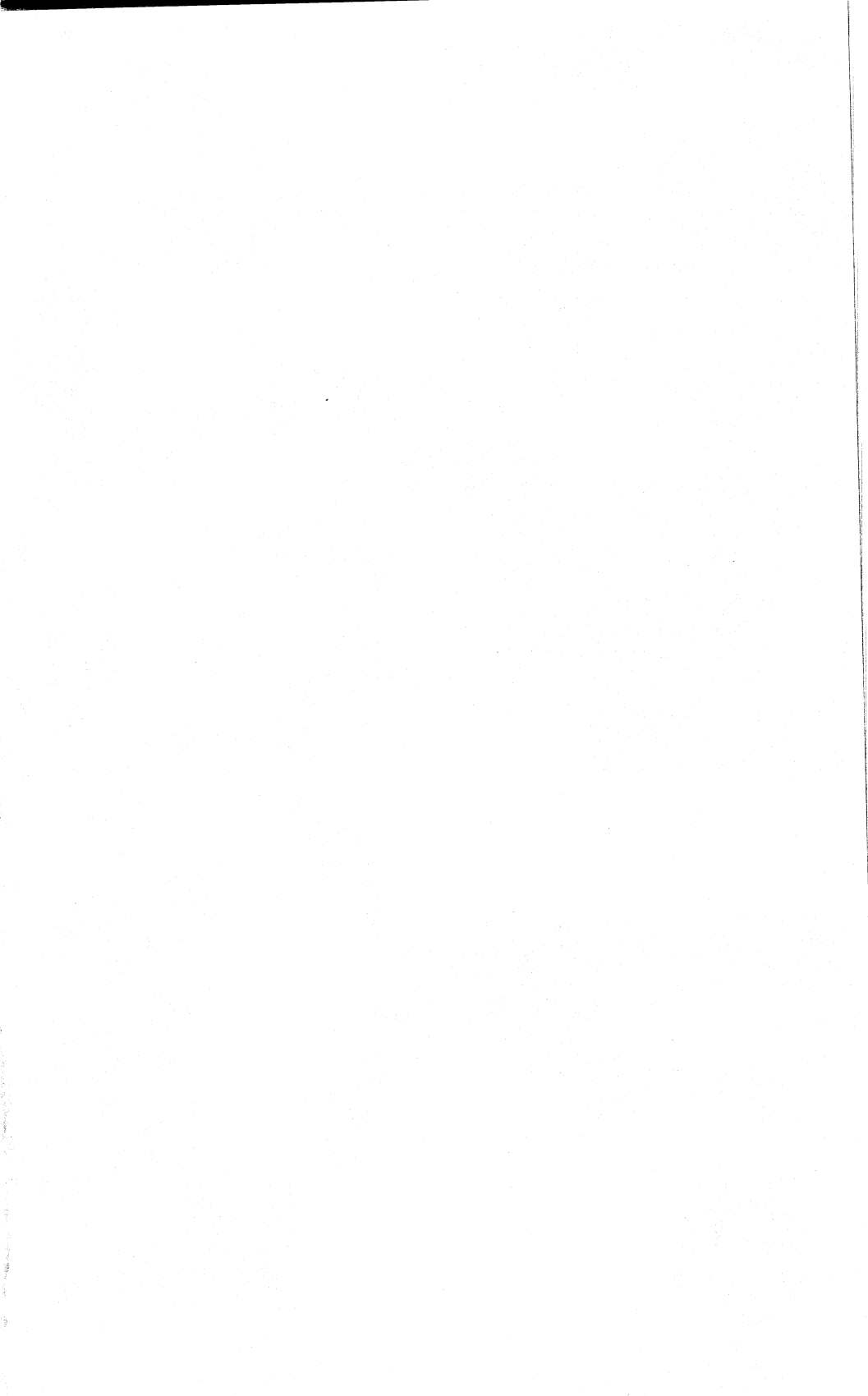
Robertson, Walter S., 17, 32*n*, 38*n*, 75*n*, 86*n*, 87*n*, 90*n*, 92*n*, 97*n*, 103*n*, 116*n*, 124*n*, 143*n*, 162*n*, 173*n*, 177*n*, 185*n*, 189*n*, 205*n*, 208*n*, 221*n*, 224*n*, 270*n*, 284*n*, 295*n*, 303*n*, 309*n*, 353*n*, 361*n*, 374*n*, 380*n*, 383*n*, 421*n*, 425*n*, 454-455, 520*n*, 581*n*, 660*n*

- Robertson, Walter S.—Continued
- China, People's Republic of:
- Economic and trade sanctions against, 227-228
 - Ministerial talks with the United States, possibility of, 22, 24-25
 - Recognition issues, 81-83
 - Soviet military assistance, 203
 - U.N. membership, 299-300
 - U.S. policies, 331
 - Visits by U.S. nationals, 484-485, 487, 576, 635-636
- China, Republic of:
- Communist defectors, 297
 - Independent military action, U.S. opposition to, 655-656
 - Nationalist return to the mainland, 301-302, 587*n*
 - Paratrooper training, 633-634
 - Tactical missiles, U.S. deployment of, 406-407, 490, 493-495
 - Taipei riot, 529
 - U.S. economic assistance, 637-639
 - U.S. policies toward, 628*n*, 629*n*
- Chinese Nationalist Offshore Islands, 204-205, 288, 290, 489
- Chinese students in the United States, 23-24
- Force, renunciation of the use of, 138*n*
- Geneva talks between the United States and the People's Republic of China, 101, 112, 131-132, 144*n*, 201-212, 220-221, 297-298, 300
- Downgrading of, 639, 643-644
- Plane incident, 426
- Two-China question, 110
- United Nations, 456
- Rountree, William M., 362*n*
- Sastroamidjojo, Ali, 250
- Saudi Arabia, 589
- Schuman, Julian, 468*n*, 469*n*, 659*n*
- Sebal, William T., 38*n*, 44*n*, 50*n*, 54*n*, 55*n*, 57*n*, 66*n*, 70*n*, 75, 86*n*, 87*n*, 92*n*, 97*n*, 116*n*, 124*n*, 143*n*, 162*n*, 173*n*, 177*n*, 185*n*, 205*n*, 206*n*, 208*n*, 221*n*, 256*n*, 270*n*, 284*n*, 303*n*, 309*n*, 421*n*, 425*n*, 514
- Shao, C.C., 120*n*
- Silvercruys, Baron, 82-83
- Singapore, 255, 509
- Smith, Walter Bedell, 60*n*
- Smythe, Gen. George W., 49, 91-92, 181
- Southeast Asia, 337-338
- Southeast Asia Treaty Organization (SEATO), 249, 378-379
- Soviet Union:
- China, People's Republic of:
 - Military assistance to, 203
 - Relations with, 232, 245-247, 465, 498, 502-503, 564, 672-673
 - China, Republic of, position toward, 111
 - Economic assistance policies, 337-338
 - Foreign policy, 327-330, 342, 344-346
 - Peace offensive, 345
 - Political situation, 330
 - Repatriation of Chinese and U.S. nationals, role in, 44, 53-54
 - Tuapse* incident, 172-173
 - United States, relations with, 171-173
 - U.S. diplomatic recognition, 559-560
- Spaak, Paul-Henri, 81*n*, 82-84, 667
- Special National Intelligence Estimates. *See under* National Intelligence Estimates.
- Spratley Islands, 380-381
- Sprouse, Philip D., 84*n*
- Starzel, Frank J., 514
- Stassen, Harold E., 212-213, 306, 616
- Stevens, Edmund, 462, 470, 473-474
- Stump, Adm. Felix B., 51*n*, 92 282*n*, 283-284
- Suhrawardy, H.S., 448-451
- Sulzberger, Arthur H., 520*n*
- Sulzberger, Cyrus, 416
- Sun Li-jen, Gen., 69-70
- Sun Yat-sen, 343
- Tachen Islands, 205, 395*n*, 648*n*
- Tactical missiles, U.S. deployment of. *See under* China, Republic of.
- Taiwan (*see also* China, Republic of):
- Neutralization proposal, 668-671
 - Taiwanese natives, 598, 614, 628, 654-655
 - U.S.-People's Republic of China, difference re, 216-218, 259-267, 271-274, 277-279
- Taiwan Defense Command, U.S., 396, 525
- Tan, S.H., 369*n*
- Tateng, 203-204
- Taylor, Gen. Maxwell B., 13, 316
- Thailand, 324, 509
- Tibet, 551, 553, 605
- Tito, Josip Broz, 166
- Tong, Hollington, 528-529

- Tseng Kuang-chih, 571-572, 579
Tuapsee incident, 122, 172-173
 Turkey, 442-443
 Two-China issue, 110-111, 548, 642-643, 670-671
- United Kingdom (*see also* U.K. subheadings under other subjects):
 China, People's Republic of:
 Relations with, 324-325
 U.N. membership, 290, 299-300, 631, 662
 Repatriation of Chinese and U.S. nationals, role in, 27-28, 30, 63*n*, 64*n*, 86, 92-93, 95, 123-125, 177-178, 437-438
 Visits to prisoners, 97, 437-440
- United Nations, 456
 China, People's Republic of, membership:
 China, Republic of, position, 402-403
 U.K. position, 290, 299-300, 631, 662
 U.S. courses of action in the event of, 470-473, 547-549
 U.S. position, 398-399, 460, 561-562, 592, 660, 662, 665-667
- United Nations Charter, 104, 194
 Article 51, 270
- U.S. Embassy, Taipei, attack on, 525-543, 589, 624-627
- U.S. Information Service, 530
- U.S. Taiwan Defense Command, 396, 525
- U.S. Watch Committee, 288
- Veterans' Administration, 629*n*
- Viet Minh, 233, 252-253
- Vietnam, 671-672
- Vietnam, Democratic Republic of, 502
- Vietnam, Republic of, 324, 329, 332, 377-381, 399, 508-509
- Vu Van Mau, 380-381
- Walsh, Bishop James E., 99
- Wang Ping-nan, 79*n*
 China, People's Republic of:
 Economic and trade sanctions against, 119, 409-410
 United States, relations with, 71, 190*n*, 284*n*
 Trade and cultural exchange, 432, 451-452
 U.S. nationals imprisoned in, 7, 146
 Visits by U.S. nationals, 601-603, 630-631
- Wang Ping-nan—Continued
 China, Republic of:
 Tactical missiles, U.S. deployment of, 522-532
 Withdrawal of U.S. forces from, 135*n*, 145
- Chinese nationals in the United States:
 Prisoners, 368-369, 373-376, 381-382, 385-386, 632
 Students, 8-9, 14-15, 19-20, 23, 105-106, 335
- Force, renunciation of the use of:
 Chinese counterproposal, 357-358, 360, 366-367
 Chinese proposal, 145, 170
 Formosa, application to, 196-198, 384-385, 404-405
 Negotiations re, 113-114, 118, 128, 156, 181-185, 193-200, 334-335
 U.S. proposal, 171, 336-337, 353-356
- Geneva talks between the United States and the People's Republic of China, 5, 95-96, 229-230, 259-267
- Agenda and procedures, 1-3, 10, 90, 99-100, 106-107, 113
- Countercharges, 570-572
- Downgrading of, 658-659
- Press leaks, 170
- Public statements, 95, 376-377
- Stalemate in, 311-315, 321-323, 418-420, 422-424, 427-428, 434-436, 466, 495-496
- Time limit for, 368
- Judicial assistance, 659
- Repatriation of Chinese and U.S. nationals:
 Agreed Announcement, 61, 63-65, 86
 Implementation of, 114-116, 215-216, 223, 479-481
 Chinese proposal, 27-29, 33
 Deadlock over, 440-441, 444-445
 Negotiations re, 14-15, 34, 39-41, 45-47, 52, 58-60, 70-71, 73-74, 76-77, 84-85, 579-580
 Notification of imprisoned U.S. nationals, 89
 Third party role in, 92*n*
- Taiwan, 216-218, 259-267, 271-274, 278
- Wang Shu-ming, Gen., 68-69
- Weeks, Sinclair, 227
- Wiggins, J. Russell, 575-577
- Wilson, Charles E., 210-212, 614-616
- Wirin, Abraham L., 468-470, 476, 636

- Woody Island, 378, 379n, 380
Worthy, William, 461-462, 470, 473-474
Wuchiu Islands, 340
- Yeh, George K.C., 464n
 China, People's Republic of, 107, 108
 China, Republic of, 47, 111, 127n, 526-527
 Force, renunciation of the use of, 109, 112, 175-176
 Geneva talks between the United States and the People's Republic of China, 109, 279-281
- Yeh, George K.C.—Continued
 Southeast Asia, 337-338
 Two-China issue, 110
- Yen, C.K., 637-639
- Yinshan Islands, 340
- Young, Kenneth T., 380n
- Yu Ta-wei, 48, 119-120, 201-204, 315-317, 396n, 408n, 457-459, 488-490, 653-657
- Yuan Jui-hsiang, 285, 339
- Zablocki, Clement, 472n







[illegible]

JX

233

.A1

1955/57

v.3

86 5867

JX U. S. Dept. of State.
233 Foreign relations of the
.A1 United States...
1955/57
v.3

