

THE EMBASSY IN CHINA AFTER OCCUPATION OF NANKING BY CHINESE COMMUNISTS

I. VIOLATION OF AMBASSADOR STUART'S RESIDENCE; CHINESE COMMUNIST REFUSAL TO RECOGNIZE OFFICIAL STATUS OF DIPLOMATIC PERSONNEL; DEPARTURE OF THE AMBASSADOR FROM CHINA (APRIL 25—AUGUST 3)

124.931/4-2549 : Telegram

The Ambassador in China (Stuart) to the Secretary of State

NANKING, April 25, 1949.

[Received April 25—3:01 a. m.]

856. The Ambassador's residence was violated this morning at 6:45 by 12 armed Communist soldiers. They persuaded the Chinese porter to open the front gate of the compound and then came in the back door of the residence where they asked the servants how many Chinese and how many foreigners lived in the residence and where the Ambassador was. On receiving reply to the last question, the soldiers all mounted the stairway promptly, went to the Ambassador's room and entered. The Ambassador was not quite awake at that hour and their appearance in his bedroom was something of a shock. While they did not threaten him, the first to enter room spoke in loud and angry tones. Those that followed were more civil and said that they had come to "look around". They wandered about the bedroom inspecting its contents and making remarks to effect that all this would eventually go to people to whom it should belong anyway.

They questioned Mr. Fugh¹ but did not inspect his room. They refused to let Anderberg² into the Ambassador's bedroom and forced him back into his own room at the point of a gun. They inspected his room and asked him his nationality; after which inspected other bedrooms. They then left the house and the compound without having removed anything. They told one of the servants that the Ambassador should not leave the compound but this was not conveyed to the Ambassador or any member of his official staff. No other houses in the compound were visited.

Sent Department, repeated OffEmb Canton 301, Shanghai 440, Peiping 133.

STUART

¹ Philip Fugh, Chinese personal secretary to Ambassador Stuart.

² Edward Anderberg, Jr., Economic Analyst of the Embassy.

124.931/4-2549 : Telegram

The Secretary of State to the Ambassador in China (Stuart)

WASHINGTON, April 25, 1949—1 p. m.

516. Urtel 856 Apr 25. You are instructed have MA³ immed approach highest available Commie mil auths Nanking and enter strong oral protest against action Commie soldiers violating Ambs residence, indicating he is doing so on instructions from his Govt. Suggest he might in ur discretion support such protest with memo setting forth factual acct incident.

Emb should follow up with approach to Commie civil auths when they are established Nanking.

Did Commie soldiers use threats or show of arms to compel Chi porter open gate?

ACHESON

124.931/4-2549 : Telegram

The Secretary of State to the Consul General at Peiping (Clubb)

WASHINGTON, April 25, 1949—1 p. m.

230. You are instructed immed approach highest available Commie auths Peiping and enter strong protest in manner deemed by you most appropriate against violation Ambs residence Nanking as reported Embtel 856 Apr 25 to Dept (rptd Peiping as 133), indicating you are doing so on instructions from ur Govt. Suggest you hand Commie auths memorandum containing factual account.

Emb being instructed in separate tel have MA take similar action vis-à-vis Commie mil auths Nanking and approach Commie civil officials when established Nanking.

ACHESON

124.936/4-2649 : Telegram

The Ambassador in China (Stuart) to the Secretary of State

NANKING, April 26, 1949.

[Received April 26—12:03 a. m.]

866. This morning Embassy personnel attempting to come to work from Ambassador's and adjacent compound were stopped by armed soldiers and ordered to return to compound and not attempt to ride or walk out of compounds. Personnel entering compounds likewise

³ Military Attaché in China, Brig. Gen. Robert H. Soule

not permitted to leave. However, some American employees Attaché staffs driving jeeps and walking were allowed free passage. Will keep you advised as situation develops.

Sent Department 866, repeated OffEmb Canton 308; Shanghai 448; Peiping 136.

STUART

124.931/4-2649 : Telegram

The Ambassador in China (Stuart) to the Secretary of State

NANKING, April 26, 1949—11 a. m.

[Received 1:06 p. m.]

868. ReEmbtel 856, April 25 to Department. Same day delivered to Ma Ching-yuan, letter addressed "Chairman, Nanking Peace Preservation Committee" and signed by Jones as Counselor of Embassy requesting Committee call to attention responsible authorities this violation diplomatic immunity. Ma said he had discussed today with high-ranking Communist officials question entry Communist soldiers into British Embassy compound last night. According to Ma, Communists stated categorically soldiers had no orders to enter property of diplomatic missions and that they undoubtedly did so simply because they did not understand situation in Nanking. Ma added Communists expressed concern for protection diplomatic missions and he said circular would go out shortly to all missions assuring them protection. He promised to pass Embassy's letter to Communists and discuss with them.

Sent Department 868, repeated AmEmb Canton 309, Shanghai 449, Peiping 137.

STUART

893.00/4-2649 : Telegram

The Ambassador in China (Stuart) to the Secretary of State

NANKING, April 26, 1949—11 a. m.

[Received 1:22 p. m.]

869. Embassy informed by *Times* correspondent that spokesman for South Yangtze advance army headquarters has announced that foreigners should confine movements to necessary journeys only, and will be protected provided they do not violate military secrets or engage in espionage; that those who are guilty such acts will be deported, and that radio stations must be registered.

Stoppage of motor car circulation on part Diplomatic Corps becoming general. Australian Ambassador prevented leaving residence but told he could proceed to Chancery if he would submit both car and brief case to search. Wife of Netherlands First Secretary deprived of car while on personal errand; car and chauffeur taken into custody. Two members British Embassy prevented leaving residences; others except Naval Attaché staff not stopped. Wife of Italian Ambassador prevented leaving residence although on foot.

Two female American missionaries this area have been approached for contribution to purchase fodder and straw Communist army. Embassy has instructed them to temporize on ground they neutral (1) as American citizens, (2) as missionaries, and to refer all persons making demands this nature to Embassy.

Sent Department 869, repeated Shanghai 450, AmEmb Canton 310, Peiping 138.

STUART

701.0093/4-2649 : Telegram

The Ambassador in China (Stuart) to the Secretary of State

NANKING, April 26, 1949—1 p. m.

[Received 1:35 p. m.]

870. Embassy officer called on Peace Preservation Committee to ascertain reason for interdiction traffic at Shanghai Road compounds. Chairman in meeting and unavailable but other officer of committee suggested direct approach military authorities. Embassy officer then went military headquarters where unable see any responsible official, but told that while military phase continued Nanking foreign diplomats should stay off street for own protection. Soldier who carried message refused request for copy of formal order prohibiting circulation foreign diplomats and was unable explain inconsistencies in application of order. Embassy officer returned to Committee where official tried arrange by telephone interview with Communist political officer but failed. He commented Communist military headquarters in state of confusion making it difficult get things done. Also said Communist officials below top rank afraid take any action on or even discuss matters relating to foreign affairs without order from above. He promised inquire of Ma re circular letter mentioned yesterday was to be sent foreign missions, and inform Embassy.

Returning to office Embassy officer stopped by Communist soldiers who told him to get off street as circulation all foreigners was forbidden.

We believe order has been issued at high level to prohibit circulation foreigners and that inconsistency in application due simply to state of confusion prevailing during first days of take-over. We expect situation to be clarified once Military Control Commission takes over, probably within few days. As yet no guards posted Chancery compound, but personnel are being instructed stay off streets unless absolutely necessary go out. No interference thus far with entry and exit Chinese from any compound.

Sent Department 870, repeated Canton 311, Shanghai 451.

STUART

893.00/4-2649 : Telegram

The Ambassador in China (Stuart) to the Secretary of State

NANKING, April 26, 1949—2 p. m.

[Received April 26—11:53 a. m.]

874. E. Youde, Third Secretary of British Embassy, April 24 returned from his mission north of Yangtze on which he fruitlessly attempted to establish contact with Communist authorities and arrange withdrawal of British vessel *Amethyst* to either Nanking or Shanghai from her present position.⁴

He crossed river at Pukow April 21 and spent night there. Following day while walking toward battle line at Puchen suddenly found himself in middle of machine-gun battle. He waited until shooting ceased, and then surrendered to Communist troops. He explained to them purpose of his mission and was escorted back from lines, passing through successively higher echelons until he reached district commander and finally area commander. They listened to him, but persistently and pointedly regarded him as having capacity of only private British subject and lacking any diplomatic or official status. Area commander told him Communists would help extricate *Amethyst* only on condition she support Communist crossing of Yangtze. To this, of course, Youde replied in negative. Communists were much incensed by casualties British Navy had inflicted upon their troops.

Comment: This experience of Youde is first indication Communists intend to deny official status to diplomatic personnel as they have done to consular personnel.

Sent Department, repeated Shanghai 454, EmbOff Canton 312.

STUART

⁴ H.M.S. *Amethyst* had been disabled by Chinese Communist gunfire.

124.931/4-2749: Telegram

The Ambassador in China (Stuart) to the Secretary of State

NANKING, April 27, 1949—9 a. m.
[Received April 26—10: 58 p. m.]

879. ReDeptel 516, April 25, repeated American Embassy Canton 108, Shanghai 738. Military Attaché called at former OMEA⁶ headquarters at 4:30, April 26, to make oral protest reftel and leave memo if necessary. These headquarters believed political branch PLA⁶ but are only offices yet known to Embassy. After 20-minute delay, received by Captain who said his battalion commander unwilling talk to Americans and that anything we had to say could be said to him. He then launched into political tirade denouncing Americans as aiding Kmt,⁷ imperialists, etc. Attaché left card with phone number saying would return if given appointment with officer rank of general or better. Attaché received only evasive answers to questions on location general headquarters and name Supreme Commander, Nanking. Efforts to locate headquarters will be renewed today.

Sent Department 879, repeated OffEmb Canton 318, Shanghai 460.

STUART

701.0093/4-2749: Telegram

The Ambassador in China (Stuart) to the Secretary of State

NANKING, April 27, 1949—6 p. m.
[Received April 27—8: 45 a. m.]

886. Re Deptel 518, April 25.⁸ Although too early express definitive judgment, as Military Control Commission not yet functioning, experience in attempting contact responsible Communist officials here parallels that Peiping and Tientsin, and indicates such direct personal contacts may be difficult if not impossible for some time to come. We agree initial approach by Chief of Mission or high ranking diplomatic official would leave mission open to rebuff. In fact Military Attaché has already experienced such rebuff in attempting to carry out instructions contained Deptel 516, April 25. We now trying through Peace Preservation Committee arrange appointment for Military Attaché with high ranking Communist military official but not sanguine favorable outcome. If this approach fails establish direct contact, we will use Committee as channel communication (though

⁶ Officers Moral Endeavor Association.

⁶ People's Liberation Army (Communist).

⁷ Kuomintang (Nationalist Party).

⁸ *Ante*, p. 686.

so far has proved to be one way only) until establishment control commission creates top Communist local organ with which to deal. At that time Chinese-speaking officer of second secretary rank will make initial approach.

Sent Dept. 886, repeated Embassy Canton 324, Shanghai 46.

STUART

124.936/4-2749 : Telegram

The Ambassador in China (Stuart) to the Secretary of State

NANKING, April 27, 1949.

[Received April 27—8:57 a. m.]

887. Commencing 26th Embassy operations and personnel seriously crippled by increasing restriction on movements.

Ambassador, Jones, Cory,⁹ Kierman,¹⁰ Anderberg and Anderson¹¹ now rigidly confined residence compound as result additional guard posted noon 27th permitting no one to leave. At same time officers residing Chancery compound (Bacon,¹² Clough,¹³ Harris,¹⁴ Hinderer¹⁵) on call to handle groups Communist soldiers demanding electric cable, electric current, water, et cetera, or merely entrance to satisfy curiosity. Usually such groups disposed of without difficulty; but one threatened to break down gate if not admitted and left only after being shown Chen Yi's¹⁶ proclamation on protection foreign properties. Embassy has now made telephone request to a number (said to be competent headquarters) supplied by Peace Preservation Committee for investigation incident and for appropriate Communist posters directing troops to leave Embassy premises undisturbed. Other protection problems (such as 5 Ninghsia and 47 Ninghai¹⁷) apparently on way to solution. With establishment Control Commission anticipate fewer such emergency problems will arise. Bennett¹⁸ and Harris have so far been able to function without restriction at their offices situated elsewhere in city. No interference with alien government or domestic employees reported, and their morale considerably improved since week end. American morale never better.

Sent Department 887, repeated AmEmbassy Canton 325. Shanghai 465, Peiping 140.

STUART

⁹ Thomas J. Cory, Second Secretary of Embassy.

¹⁰ Frank A. Kierman, Assistant Attaché.

¹¹ Robert Anderson, Assistant Attaché.

¹² Leonard L. Bacon, Second Secretary of Embassy.

¹³ Ralph N. Clough, Second Secretary of Embassy.

¹⁴ George L. Harris Attaché.

¹⁵ Harry A. Hinderer, Attaché.

¹⁶ Chinese Communist commander in the Nanking area.

¹⁷ Embassy properties in Nanking.

¹⁸ Josiah W. Bennett, Assistant Attaché.

124.931/4-2849 : Telegram

The Consul General at Peiping (Clubb) to the Secretary of State

PEIPING, April 28, 1949—4 p. m.

[Received April 30—5:01 a. m.]

730. Following is the text of my communication of April 27 to the Commander-in-Chief of the People's Liberation Army:

"General Chu Teh, Commander in Chief, Sir: Under instructions from my Government, I invite your attention to the circumstances that there has occurred at Nanking the violation of the American Ambassador's residence at 6:45 a. m. April 25 by members of the Chinese Communists' armed forces. The circumstances of that violation are as set forth below.

At the indicated hour 12 armed Chinese Communist soldiers caused the Chinese porter to open the front gate of the compound. The soldiers entered the back door of the Ambassador's residence, asked the servants how many Chinese and foreigners lived in the residence, and where the Ambassador was. When they were informed where the Ambassador was, the soldiers went up to the second floor of [the residence?] and entered the American Ambassador's bedroom. The first soldier to enter the room spoke in loud and angry tone. Those soldiers who followed the first one were more civil and said that they had come to 'look around'. They wandered about the bedroom inspecting the contents and making remarks to the effect that all this would eventually go to the people to whom it should belong anyway.

The soldiers prevented the Ambassador's secretary, Mr. Edward Anderberg, from entering the Ambassador's bedroom and forced him back into his own room at the point of a gun. They inspected his room and asked his nationality, after which they inspected other bedrooms. They then left the house and compound. No other houses in the compound were visited.

Since the above reported violation of the residence of the American Ambassador by armed Chinese Communist soldiers was in clear contravention of established international law and custom and in full disregard of the courtesy always due an Ambassador, I have been instructed by the United States Government to bring the matter to the attention of the highest Chinese Communists' authorities at Peiping and to enter strong protest against that violation.

In view of the reputation of the People's Liberation Army for strict discipline, and particularly in light of the specific assurance given in item 6 of the Proclamation of April 24 [of?] the Political Section of the East China area headquarters of the People's Liberation Army that embassies and consular establishments would be protected—which assuredly must mean that they will be accorded the type of treatment and protection due them by international law and custom—it is presumed that the action [mentioned?] must have been without the authorization of the command of [the People's] Liberation Army; and it is requested that your headquarters take prompt action to the end that the matter shall be appropriately adjusted and that similar unfortunate incidents of violating of American diplomatic immunity shall not occur in future.

I should appreciate receiving an early reply for communication to my Government. Signed American Consul General."

CLUBB

124.93/4-2949: Telegram

The Ambassador in China (Stuart) to the Secretary of State

NANKING, April 29, 1949—noon.

[Received April 29—6:23 a. m.]

897. Guard placed at Chancery compound April 28 obstructed entry and exit American personnel for a time, but eventually permitted all who desired to enter or leave on foot if not carrying anything. Commissary supplies, bicycle, girl's coat and handbag among articles prohibited exit. He obviously operating under orders which are neither clear-cut nor clearly understood and his actions of permitting or forbidding entry and exit were sometimes overruled by gang of unarmed comrades from same unit lounging on sidewalk across street. Jones succeeded in establishing system of checking in and out satisfactory to guards at Ambassador's compound but was stopped at corner and turned back before reaching Chancery by several rude and angry PLA soldiers. Capriciousness of Communist soldiers compounded of ignorance, hostility to Americans and desire demonstrate authority.

In effort obtain passes to permit personnel go to and from Chancery to work or at very least statement of conditions under which we being confined and reasons therefor, Clough and Harris called at newly established Military Control Commission located former Executive Yuan building. They permitted to proceed inward after long discussion with officers in charge unit guarding Chancery. Commission building in great disorder more resembling barracks than government office and clerk who received officers said Liu Po-cheng, Chairman, and Sung Jen-chiung, Vice Chairman of Commission, had not yet come Nanking, newspapers' statements to contrary notwithstanding. He took to some higher official letters containing lists of US Government property and Embassy personnel but after 20 minutes returned and said no one as yet able discuss question passes or confinement diplomatic personnel. Would not say when responsible official might be available. Clough will call at Commission again today carrying letter requesting audience for me with Liu Po-cheng as soon as latter reaches Nanking in order protest intrusion Ambassador's residence. Hope by daily attempting trips to Commission even though likely to be barren of results to establish precedent with Chancery guards that Embassy entitled to free access to highest Communist organ in city.

Sent Department, repeated OffEmb Canton 330, Shanghai 475.

STUART

893.00/4-2949

*Memorandum of Conversation, by Mr. Robert N. Magill of the
Division of Chinese Affairs*

[WASHINGTON,] April 29, 1949.

Participants: Mr. Hubert Graves, Counselor of the British Embassy
Mr. Philip D. Sprouse¹⁹—CA
Mr. Fulton Freeman²⁰—CA
Mr. Robert N. Magill—CA

Mr. Graves called this afternoon by appointment under instructions from the British Foreign Office to present and discuss an Oral Communication (copy attached)²¹ with regard to problems currently facing our two Governments in China.

In discussing the question of our diplomatic representatives at Nanking, it was pointed out to Mr. Graves that the Department does not consider its recent action in authorizing Ambassador Stuart to return to Washington for consultation at some time in the future as constituting a departure from the position previously adopted by joint decision of certain foreign powers in Nanking to retain top representation during a Communist take-over. Mr. Graves was also informed that the Department appreciated the desirability of acting in concert with other interested powers in matters of this nature, and it was suggested that Mr. Graves might wish to ascertain whether the British Government was giving consideration to taking similar action to that contemplated by the Department. Mr. Graves stated that he had not as yet received any indication that his Government was planning to recall the British Ambassador for consultation but that he would forward a discreet inquiry and inform the Department of any reaction received.

With regard to the question of stationing foreign warships in the Yangtze and the Whangpoo, Mr. Sprouse assured Mr. Graves that our reports indicated that there had been continuing and extended consultation between the United States and British representatives in Shanghai and Nanking on this subject. Mr. Sprouse also pointed out that all United States Naval vessels have now withdrawn from the Whangpoo to a point in the mouth of the Yangtze east of Woosung and that reports indicated that the British were adopting a similar course of action.²²

¹⁹ Chief of the Division of Chinese Affairs.

²⁰ Assistant Chief of the Division of Chinese Affairs.

²¹ *Infra*.

²² For documentation on this subject, see vol. ix, pp. 1098 ff.

Mr. Graves was assured that no decision had been made to cut off ECA²³ supplies from Shanghai because of the impending Communist takeover; that ECA intended to continue the importation of petroleum for utility and other essential requirements and of the United States cereals contribution under the rationing program until Communist control of the city had taken place. It was pointed out that we wished to keep to a minimum the quantity of such commodities that would fall to the Communists, and that ECA's diversion of cotton shipments should be considered in that light. Mr. Sprouse explained that the recent China aid legislation makes it mandatory that ECA shipments cease as soon as the Communists gain control of Shanghai, but that the United States Government would not attempt to stop the importation of petroleum and other commodities through private channels thereafter.²⁴

In response to Mr. Graves' queries regarding the present commodity stock position in Shanghai, it was stated that according to our latest information (1) cotton stocks were at a 2-1/2 month level since the fall of Wusih, (2) ECA was maintaining ten-day stocks for its share of the ration program, and (3) Shanghai Power had about a two weeks' supply of petroleum.

With regard to paragraph numbered 6 of the attachment, Mr. Sprouse indicated that the question of what might be stated to the Communists by United States and British officials when they come into Shanghai is a matter he would have to discuss with other officials of the Department, and that we would give it immediate attention.

893.00/4-2949

The British Embassy to the Department of State

ORAL COMMUNICATION

Now that Nanking has fallen to the Communists, while Shanghai is threatened with a possible battle, His Majesty's Government think that the time has come to take stock and to consult with other Governments as to whether any steps should be taken to meet the situation which confronts them.

2. Representatives at Nanking.

His Majesty's Government hope that the State Department will be disposed to agree that it is of great importance that the common front which has so far been presented in this connexion should be maintained. They trust that the public announcement of the intention to recall the United States Ambassador for consultation does not indi-

²³ Economic Cooperation Administration.

²⁴ For documentation regarding economic aid, see vol. IX, pp. 599 ff.

cate any departure from the position hitherto adopted by the Atlantic Group on retention of representation. It is to be expected that the Communists will try to break up the common front, and though it is impossible to predict what will happen, it is thought that any such attempt should be resisted for as long as possible. Such indications as have been received from His Majesty's Ambassador at Nanking²⁵ do not suggest that the Communists are as yet contemplating any drastic steps towards Foreign Missions.

3. *Warships in the Yangtze*

Though through force of circumstances there was not time for consultation between Governments, Governments seem to have reached the same conclusion about the retention of warships in the Whangpoo. Further clashes between warships and the Communist forces would be very likely to have an adverse effect upon the position of our respective representatives and communities. It is also desirable to avoid being put in a position where our ships are bottled up and can only withdraw with the permission, or under the orders of, the Communists.

4. *Shanghai*

It is the situation in Shanghai which causes His Majesty's Government the most serious concern. A battle for Shanghai can, in their view, in no way alter the fate of the National Government. On the other hand, it would be an act of criminal folly to involve this densely populated area in the conflict, since quite apart from battle casualties the effect upon the economy and welfare of the people can only be disastrous.

5. Even without a battle, recent reports show that the economic situation in Shanghai is parlous to a degree. His Majesty's Government are not sure how the United States Government view this matter, but think that they would agree that it would be inadvisable to withhold supplies from the Shanghai area which will enable it to function at any rate to some degree and which can be paid for. The Chinese Minister stated to the Foreign Office this morning that United States deliveries of cotton are being diverted from Shanghai. If this were to result in large-scale unemployment for operatives in cotton factories, a critical situation might develop. Similarly the withholding of other vital supplies (in particular, of course, rice) might cause a breakdown of public utilities, and finally the total collapse of law and order.

6. It may be that, when the Communists occupy Shanghai, our Governments should point out to them at an early stage that they will have to depend on outside resources to maintain the life of the city, and that unless they treat foreign business interests in quite a different way from the treatment accorded to such interests in Tien-

²⁵ Sir Ralph Stevenson.

tsin, there will be a complete breakdown for which the Communists themselves will be held responsible by the entire population. But we think we must be careful not to contribute to such a breakdown before the Communists arrive, because then we shall be held responsible.

7. The Foreign Office would be grateful to learn the views of the State Department on these and related questions as soon as possible.

[WASHINGTON,] 29 April, 1949.

124.93/4-3049 : Telegram

The Ambassador in China (Stuart) to the Secretary of State

NANKING, April 30, 1949.

[Received April 30—3:37 a. m.]

906. After negotiations with guard at residence compound resulting in signed stipulation guard would not be held responsible for any mishap to them, Jones, Cory and Anderson were released a. m. 29th and succeeded reaching Chancery compound. Guard at Chancery side entrance established for first time, but disappeared after few hours, possibly because of bad weather. Same true of residence Assistant Naval Attaché Kutchera,²⁶ with no one allowed leave or enter during afternoon. However, control at main entrance Chancery considerably relaxed, believed owing to: 1. Change of guard personnel; 2. Cold rain and wind; 3. Capriciousness. Embassy has been canvassing missionaries so far as possible by telephone and has had no report of any interference with them either at homes or offices, although several have been warned to get off streets by sentries at certain intersections.

On 29th Clough made second trip to Control Commission and presented new letter requesting interview for Military Attaché with Liu Po-cheng. Also asked urgently for interview with responsible official to discuss question isolation Beebe House where for 2 days occupants have been prevented from sending out for food and fuel. Was told responsible official not in office at that time but that matter would be reported him and he would telephone Embassy. Expect official will not telephone and if Embassy unable obtain action by telephoning will attempt negotiate on spot with guards or with their immediate superiors, if such can be found.

Report received a. m. 30th [that] guard blockading house, Associated Press Correspondent Seymour Topping has disappeared and

²⁶ Lt. (jg.) Dean J. Kutchera.

that Australian and British Ambassadors now permitted use automobiles.

Sent Department 906, repeated Canton 336, Shanghai 483.

STUART

124.931/4-3049 : Telegram

The Ambassador in China (Stuart) to the Secretary of State

NANKING, April 30, 1949—5 p. m.

[Received April 30—5:30 a. m.]

908. ReDeptel 516, April 25. Communist soldiers were armed. Porter first sought advice from Ambassador's house boy [*chauffeur*], but on returning to gate was frightened to such extent by soldiers' manner and language as to unlock gate.

STUART

124.93/5-249 : Telegram

The Ambassador in China (Stuart) to the Secretary of State

NANKING, May 2, 1949—5 p. m.

[Received May 3—12:20 a. m.]

916. Close confinement diplomatic personnel greatly relaxed by May 2. American Ambassador's compound still guarded, but all personnel except Ambassador permitted come to Chancery. Ambassador for first time tried come to Chancery, but guards, who knew his identity, said that for his own protection he should not leave compound. Italian Ambassador who lives across street also turned back. Guards at Chancery compound removed and personnel moving freely in and out on foot. Embassy officer in jeep travelled downtown and back without being challenged. However, Military Attaché in sedan stopped coming out of his office compound which on same side street as Ambassador's compound, but permitted proceed after orally assuring guards they would not be responsible for anything that might happen as result. Letter now being sent Military Control Commission requesting instructions be issued guards at Ambassador's residence to permit him go to and from office, pointing out present situation prevents him carrying out official duties.

Sent Department; repeated OffEmb Canton 339, Shanghai 485.

STUART

123 [Stuart, J. Leighton] : Telegram

The Secretary of State to the Ambassador in China (Stuart)

WASHINGTON, May 3, 1949—1 p. m.

538. Dept notes urtel 906 Apr 30 Brit and Austral Ambs now permitted use their automobiles. Pls report whether you are restricted to ur residence compound and denied freedom movement about city.

ACHESON

124.936/5-349 : Telegram

The Ambassador in China (Stuart) to the Secretary of State

NANKING, May 3, 1949—2 p. m.

[Received May 3—4:13 a. m.]

923. Canadian Ambassador has asked that our recent telegrams on situation Nanking, particularly with respect restrictions, attitude toward Diplomatic Corps by new authorities, be shown to Canadian Embassy, Washington, for info his Government.

Sent Department 923; repeated Ottawa 1.

STUART

123 Stuart, J. Leighton : Telegram

The Ambassador in China (Stuart) to the Secretary of State

NANKING, May 3, 1949—4 p. m.

[Received May 3—8:04 a. m.]

924. For first time today Ambassador permitted by guards at this compound to visit Chancery. Embassy personnel also travelled about with little interference, some in cars. A few were challenged on street but permitted proceed upon identification.

Repeated OffEmb Canton 344, Shanghai 419.

STUART

124.931/5-449 : Telegram

The Ambassador in China (Stuart) to the Secretary of State

NANKING, May 4, 1949—4 p. m.

[Received May 5—1:05 a. m.]

935. We have taken following steps with respect to intrusion at Ambassador's residence:

(1) Written protest made day following incident to Peace Preservation Committee with request it be called to attention appropriate military authorities;

(2) Following receipt Deptel 516, April 25, AMilAt²⁷ approached 35th Army headquarters but unable reach anyone in authority;

(3) Written request made to Military Control Commission for appointment for AMilAt with Liu Po-cheng.

As these approaches have brought no reply and since likely impossible in near future deliver oral protest to highest military authority Nanking, suggest we present strong written protest addressed Chairman Military Control Commission.

Sent Department; repeated Shanghai 500, AmEmb Canton 352.

STUART

123 Stuart, J. Leighton : Telegram

The Ambassador in China (Stuart) to the Secretary of State

NANKING, May 4, 1949—6 p. m.

[Received May 5—2:02 a. m.]

938. Embassy officer today called on Ch'en Ying, Chief General Affairs Section of newly established Aliens Affairs Office, a department of Nanking Military Control Commission, to discuss question of Ambassador's free access to Chancery and occupation US Government-owned houses by Communist troops. Interview resulted in no positive action other than Ch'en's statement he would investigate and inform us, but following points appear significant:

1. Ch'en said PLA does not wish interfere with free movement foreign nationals Nanking (this borne out by notable relaxation restrictions on foreigners' movements last few days);

2. Ch'en said PLA soldiers should not move into foreign property;

3. Ch'en prefaced remarks with statement that no diplomatic relations exist between our Governments and studiously avoided using title Ambassador or referring to diplomats in other terms than "foreign nationals".

Sent Department; repeated Shanghai 502, OffEmb Canton 354.

STUART

123 Stuart, J. Leighton : Telegram

The Minister-Counselor of Embassy in China (Clark) to the Secretary of State

CANTON, May 6, 1949—3 p. m.

[Received 3:23 p. m.]

Cantel 324. Director American Section, Foreign Office, under instructions his superiors, asked me to express earnest hope U.S. Government that Ambassador Stuart visit Canton prior returning

²⁷ Military Attaché, Brig. Gen. Robert H. Soule.

US for consultation. In agreeing transmit request, I pointed out that, in granting departure Ambassador, Communists might stipulate different itinerary. Knowing Department's desires this regard, shall continue avoid definite reply Foreign Office.

Sent Nanking 250, repeated Department Cantel 324.

[CLARK]

123 Stuart, J. Leighton : Telegram

The Ambassador in China (Stuart) to the Secretary of State

NANKING, May 7, 1949—10 a. m.

[Received May 7—6:30 a. m.]

954. ReDeptel 538, May 3. I have been coming regularly to Chancery once a day without hindrance since May 3, and have been several other places in city. Guards were removed from my compound morning of May 6. There appears to be no obstacle now to my moving freely about city except after dark, when Communists reportedly stop both Chinese and foreign, although they have not announced a curfew.

Sent Department, repeated OffEmb Canton 366, Shanghai 518.

STUART

124.936/5-749 : Telegram

The Ambassador in China (Stuart) to the Secretary of State

NANKING, May 7, 1949—10 a. m.

[Received May 7—7 a. m.]

955. Aliens Affairs Office has informed Embassy it cannot accept communications on Embassy letterhead or signed by officers using either diplomatic or consular title. Will accept only communications on plain paper signed by officer in "personal capacity". Obvious intent is to avoid even tacit admission that diplomatic personnel have any special status other than that which may be accorded "foreign nationals" in general. Our refusal to adopt prescribed procedure would in all likelihood close only channel so far available for negotiating local problems. Would our acceptance this procedure, in Dept's opinion, prejudice our position, already stated orally to official of Aliens Affairs Office, that diplomatic missions have special position, universally recognized under international law even where diplomatic relations may not exist between governments involved? We will withhold further communications to Commies pending Dept's reply.

Sent Department; repeated AmEmb Canton 367, Shanghai 519.

STUART

124.93/5-949 : Telegram

*The Minister-Counselor of Embassy in China (Clark) to the
Secretary of State*

CANTON, May 9, 1949—7 p. m.
[Received May 11—7:20 a. m.]

Cantel 337. At this stage it seems matter small importance whether communications Communist officials omit mention diplomatic or consular capacity writer, Nanking's 955, May 7, repeated Canton 367, Shanghai 519. Feel status of Consulates' officers will be recognized later when Communists recognize need services they perform. Status diplomatic officers of Embassy, Nanking, it seems to me, is entirely different. They are accredited to Government unrepresented Nanking and it would seem difficult to establish under international law any claim other than that of safe conduct out of country and protection from molestation of themselves and property in meantime. For this reason I wonder whether Department has given consideration to desirability arranging for departure from Nanking, along with Ambassador, of all except staff sufficient functioning consular office and protection property to be left behind. I find it difficult believe that Communists will recognize any diplomatic capacity of officers remaining until such time as we have given *de jure* recognition to a Communist government. As there are no indications at this stage of intention establish government Nanking, consular officers Peiping would seem more likely channel any tentative discussions on *de facto* basis with Communists.

Sent Department, repeated Nanking 259, Shanghai 217.

CLARK

124.936/5-1049

*Memorandum of Conversation, by the Chief of the Division of
Chinese Affairs (Sprouse)*

[WASHINGTON,] May 10, 1949.

Mr. Tsui²⁸ called by appointment this afternoon and said that he had been requested by the Ambassador, pursuant to instructions from Acting Foreign Minister George Yeh, to suggest the desirability of the Department's directing Minister-Counselor Clark at Canton not to transmit to Ambassador Stuart at Nanking any communications regarding matters concerning the Ministry of Foreign Affairs. Mr. Tsui presented this suggestion somewhat apologetically.

I informed Mr. Tsui that Minister-Counselor Clark was in communication with Ambassador Stuart only by radio, as are the De-

²⁸ Tswen-ling Tsui, Counselor of the Chinese Embassy.

partment and Consulate General at Shanghai, and I did not understand the concern of the Acting Foreign Minister with respect to communications between Mr. Clark and the Ambassador. I gave no indication that we would even consider complying with such a request.

893.00B/5-1149 : Telegram

The Ambassador in China (Stuart) to the Secretary of State

NANKING, May 11, 1949—noon.
[Received May 11—6:18 a. m.]

994. As Department aware, Huang Hua, member Communist staff former Executive Headquarters, is presently Chief Aliens Affairs Office, Nanking Military Control Council. Immediately prior to his advent Nanking, he held same position Communist municipal government Peiping. He is alumnus Yenching University and classmate Philip Fugh. Last week Fugh telephoned Foreign Office where Huang set up offices, leaving his name. Huang returned call next day, said it was "inconvenient" for him to call on Fugh, asked if latter would visit him which Fugh did. Huang received him cordially and asked after their "old college President".²⁹ Although he referred to me several times during course of conversation, he was careful to avoid use of my official title. He said he did not recognize me as Ambassador nor any other Ambassadors in Nanking because we were accredited to Kmt Government. He added that it would be up to USA, when time came, to make first move in establishment relations with People's Democratic Government. He emphasized this a second time later on in conversation.

He launched into a tirade against US foreign policy, its assistance to Kmt, its consequent responsibility for civil war, giving reasons why CCP³⁰ considers USA "an enemy". He did, however, admit favorable impression from Secretary's letter March 15³¹ to Connally.³² He said the CCP was bringing a "new democracy" to Chinese people quite different from old democracy known in USA and Britain. Objectives of CCP were to eliminate (1) feudalism and (2) American, British imperialism, China. In referring to HMS *Amethyst* incident, which he insisted fired first shot, elaborated CCP British policy as follows:

(1) British must pay indemnity for hundreds of Communist casualties.

(2) Must promise never to repeat incident.

²⁹ Ambassador Stuart was President of Yenching University at Peiping, 1919-46.

³⁰ Chinese Communist Party.

³¹ Vol. ix, p. 607.

³² Tom Connally of Texas, Chairman of the Senate Committee on Foreign Relations.

- (3) Must agree to discuss Hong Kong question.
- (4) Must withdraw all troops, ships, planes from Chinese territories and waters.

Huang said CCP intended to hold Political Consultative Conference in June either Peiping or Nanking; that Nationalist [national?] government would be established in early autumn. When Fugh inquired about delay, Huang replied necessary to achieve one-mindedness re new government. Li Chi-sen,³³ he said, would soon come Nanking [as] recognized head of Kmt.

Fugh suggested propriety of Huang calling on his "old college President". Huang agreed he would like to do so but not immediately. During course conversation Fugh twice brought up Communist soldiers' intrusion Ambassador's bedroom April 25. On second reference Huang obliquely acknowledged it by saying he brought message from Chou En-lai³⁴ saying latter was distressed by incident. Interview lasted one hour during which Huang did most of talking. Attitude toward Fugh most friendly, Huang accompanying him all the way to street gate of former Waichiaopu; ³⁵ said he would telephone. Fugh will not attempt to see him again unless initiative comes from other side.

Department pass to Peiping and Tientsin in its discretion.

Sent Department, repeated OffEmb Canton 395, Shanghai 552.

STUART

893.00/5-1249 : Telegram

The Ambassador in China (Stuart) to the Secretary of State

NANKING, May 12, 1949—6 p. m.

[Received May 13—3:21 a. m.]

1010. Aliens Affairs Office yesterday summoned Embassy officer and told him orally following four regulations re conduct foreigners:³⁶

1. No one to be on streets during curfew hours 11 p. m. to 5 a. m. except in emergency;
2. For time being no foreigners to go outside city walls without permit from Public Safety Bureau;
3. No military uniforms to be worn on streets or arms carried;
4. Pending completion preparations for registration automobiles they may be freely used within city.

³³ Previously head of Kuomintang Revolutionary Committee (KmtRC) at Hong Kong; at Peiping since end of 1948.

³⁴ Chinese Communist Party representative during 1945-46 negotiations and member of the Central Committee of the Party.

³⁵ Chinese Foreign Office.

³⁶ For information concerning the Chinese Communist occupation of Nanking, see telegram No. 848, April 24, from the Ambassador in China, p. 269.

Other Embassies' representatives called in individually and given same information orally. Imparting of information orally and individually apparently selected in order avoid inference Communists recognizing special status Foreign Missions. Embassy informing all Americans.

Sent Department, repeated Shanghai 562, OffEmb Canton 402.

STUART

124.931/5-449 : Telegram

The Secretary of State to the Ambassador in China (Stuart)

WASHINGTON, May 12, 1949—7 p. m.

576. Written protest to Chairman Mil Control Comm recommended Embtel 935, May 4, authorized. Tel text to Dept.

ACHESON

124.936/5-749 : Telegram

The Secretary of State to the Ambassador in China (Stuart)

WASHINGTON, May 13, 1949—2 p. m.

583. Urtel 955 May 7. Dept believes most important consideration is establishment practical channel for essential communications in manner not construable as recognition Commie regime. Possibly difficulty outlined reftel can be avoided by use memoranda (unsigned, initialed, or signed Emb officer with or without title) delivered Alien Affairs Office by Emb officer. In event it necessary communicate Commie auths by ltr, ltr shld be addressed to Commie auths by name without title and may be signed by officer of Emb either with or without official title. However Dept believes insofar as practicable Amb himself shld not sign communications Commie auths without inclusion his official title. Suggest you discuss with other friendly missions Nanking.

ACHESON

893.01/5-1349 : Telegram

The Ambassador in China (Stuart) to the Secretary of State

NANKING, May 13, 1949—4 p. m.

[Received May 14—1:50 a. m.]

1019. After reviewing of problem of status of Embassies and Consulates in face of Nationalist Government approaching defeat and possible extinction, plus intransigent attitude Communists on recognition as matter absolute reciprocity, Embassy's views developing as

follows: (see Embtel 979, May 10, repeated Canton 389, Shanghai 542³⁷).

1. So long as Nationalist Government exists and is recognized by US, diplomatic status all FS³⁸ personnel China remains unchanged. Such status created by agreement US and Nationalist Governments, cannot be destroyed piecemeal and is unaffected by Communist current military successes. Continued residence our Ambassadors Brussels 1914-1917³⁹ provides analogy if needed.

2. Until Nationalist Government obviously extinct, our approaches to Communists should be limited to inquiries, protests regarding welfare, property Americans.

3. After extinction Nationalist Government our status analogous diplomatic personnel in country from which US has withdrawn recognition. Status continues until reasonable time for departure has elapsed after unequivocal notice to depart received from new authorities.

4. In period following extinction Nationalist Government we may, on Department's authorization, confer informally with Communists on general matters, and endeavor ascertain whether *de facto* government exists. We assume that by this time Communists will have announced provisional government, called constituent assembly and organized foreign office. Any act our part implying recognition to be avoided.

5. If existence *de facto* government is ascertained, Embassy will report same to Department and if requested suggest stipulations regarded desirable as conditions to *de jure* recognition, e.g., protection American lives and interests, treaty obligations, etc.

6. Embassy feels Communist attitude regarding absolute and immediate reciprocity on question recognition typically Communist position adopted either for propaganda purposes or on theory foreign embassies and consulates perform no important function benefiting Chinese interests. Communists apparently unaware these offices are existing agencies best suited to determine facts regarding existence *de facto* Communist government and desirability recognition. Meanwhile Communists seem to regard toleration of foreign diplomatic personnel as yielding of hard-won sovereignty which ought not to be sacrificed without immediate counter-concessions. They appear to consider continued presence diplomatic offices places their regime in inferior position and are apparently unaware diplomatic inferiority their position exists in any case from moment new government is formed until it receives general recognition.

³⁷ Vol. IX, p. 19.

³⁸ Foreign Service.

³⁹ For documentation on continued residence of the American Minister in Brussels after German occupation, see *Foreign Relations*, 1914, Supplement, The World War, pp. 45-47, 49, 65, 67, 69, 73-74, 76.

7. Embassy believes that if Communists are convinced diplomatic and consular personnel chiefly engaged political, commercial, espionage and propaganda, Communist attitude regarding reciprocity likely to continue. Some evidence accumulating, however, that attitude towards embassies based also on embarrassment their presence and uncertainty regarding procedure.

8. There have been recent indications that Nanking may be retained as capital under Communist regime and we believe good possibility new government will establish itself here following PCC. (ReCantel 337, May 9 to Department, repeated Nanking 259, Shanghai 217.) Consequently we feel office of Embassy should be retained Nanking after departure of Ambassador until assured capital will not be Nanking or until Communists ask us to leave. Even if government establishes itself permanently elsewhere, there is ample precedent for office of Embassy remaining ex-capital until move to new capital can conveniently be made.

Sent Department, repeated OffEmb Canton 412, Shanghai 570.

STUART

893.00B/5-1449 : Telegram

The Ambassador in China (Stuart) to the Secretary of State

NANKING, May 14, 1949—4[1?] p. m.

[Received May 14—7:54 a. m.]

1021. Subordinate of Huang Hua and former Yenching student called on me yesterday on personal basis. Conversation soon turned to political problems and we discussed such varied subjects as position our Consulates in Communist-occupied China and *Amethyst* incident. (Conversation regarding latter revealed basic misconception at least locally and as result thereof British Ambassador is presenting to Communists new and detailed account of entire tragic affair.) Following our conversation my young friend reported promptly to Huang Hua who later asked for appointment with me. (See mytel 994 to Department May 11, repeated Canton 395, Shanghai 552.) I now suspect principal reason for call was to ascertain if I would be receptive to visit from Huang.

Huang called my residence last evening remaining almost 2 hours. Our conversation was friendly and informal. I refrained from political remarks until he opened way which he did after few personal exchanges. I then spoke earnestly of great desire that peoples of all countries had for peace, including, emphatically, my own, of dangerous situation developing despite this universal popular will; of indescribable horrors of next war; of my conviction that much, but not all, present tension due to misunderstandings, fears, suspicions which

could be cleared away by mutual frankness; of fears Americans and other non-Communists had of Marxist-Leninist doctrine, subscribed to by CCP, that world revolution and overthrow of capitalistic governments necessary, thus proclaiming subversive interference or armed invasion as fixed policy. Huang spoke of Chinese people's resentment at American aid to Kmt and other "mistakes" of US policy to which I briefly replied.

Huang asked about my plans and I told him of my instructions,⁴⁰ adding that I was glad to stay long enough for symbolic purpose of demonstrating American people's interest in welfare of Chinese people as whole; that I wished to maintain friendly relations of past; that being near end of my active life I hoped to be able somewhat to help restore these relations as I knew my Government and people desired; that my aim was unity, peace, truly democratic government and international good will for which Huang knew I had worked all my life in China.

Huang expressed much interest in recognition of Communist China by USA on terms of equality and mutual benefit. I replied that such terms together with accepted international practice with respect to treaties would be only proper basis. He was greatly surprised at my explanation of status of armed forces in China particularly Marines in Shanghai. Our side of story, that is desire to protect American lives during civil disturbances and chaotic conditions brought on by war, appeared never to have occurred to him. He was obviously impressed. I explained question of national government was internal; that Communists themselves at present had none; that it was customary to recognize whatever government clearly had support of people of country and was able and willing to perform its international obligations; that therefore USA and other countries could do nothing but await developments in China. I hinted that most other nations would tend to follow our lead. I explained functions of foreign consulates in maintaining informal relations with *de facto* regional authorities.

Huang expounded upon needs of China for commercial and other relations with foreign countries. He said instructions had been issued to all military units to protect safety and interests of foreigners. Intrusion into my bedroom was discussed and he promised to do his best in constantly shifting military situation to trace offenders. He explained that first Communist troops in city had not been prepared or properly instructed on treatment of foreigners.

I inquired about our mutual acquaintances among CCP. Their plans for PCC⁴¹ and formation of coalition government seem still rather inchoate; I received impression Communists are confused by

⁴⁰ See telegram No. 510, April 22, 7 p.m., p. 682, and subsequent documents.

⁴¹ Political Consultative Conference.

being ahead of schedule and particularly worried about responsibilities, administrative implications of Shanghai take-over.

Repeated Canton 413, Shanghai 571.

STUART

123 Stuart, J. Leighton : Telegram

The Ambassador in China (Stuart) to the Secretary of State

NANKING, May 14, 1949—2 p. m.

[Received May 14—9:07 a. m.]

1022. Embassy official called to Aliens Affairs Office May 12 and handed written communication addressed to him personally stating Commie authorities had considered earlier request for access to Air Attaché plane and had decided to permit plane to be repaired and when repairs completed flown out of Nanking. Persons other than original pilot and crew might leave only if they obtain written permit from Military Control Commission. Letter added that if pilot does not wish to depart, plane would be placed in custody of Military Control Commission which would not be responsible for any subsequent damage.

During course of my discussions with director Aliens Affairs Office, local Military Control Commission last night (see Embtel 1021, May 14), we discussed status Air Attaché's plane. I explained that it had been retained here solely for purpose of transporting me out of Nanking at appropriate time. Huang appeared to accept this explanation and I anticipate no major difficulties when time comes for my return to USA on consultation.

Sent Department 1022, repeated Shanghai 572, AmEmb Canton 414.

STUART

893.00B/5-1649 : Telegram

The Ambassador in China (Stuart) to the Secretary of State

NANKING, May 16, 1949—5 p. m.

[Received 10:52 p. m.]

1037. Underling of Huang Hua mentioned by telegram 1021 to Department May 14, repeated Canton 413, Shanghai 571, is Peng Shu-jen, a member of Chinese diplomatic service for number of years and recently returned here from Australia. He reports he was left Nanking by George Yeh in charge of Foreign Office turnover to Communists. Peng told me he still undecided whether return National territory or remain and work with Communists.

We infer from several indications that Huang Hua communicated Peiping after conversation with Fugh (see Embtel 994 to Department May 11, repeated Canton 395, Shanghai 552) and did not make his call on me until after it had been cleared, approved in the north.

Sent Department 1037, repeated OffEmb Canton 425, Shanghai 584.

STUART

124.931/5-1849 : Telegram

The Ambassador in China (Stuart) to the Secretary of State

NANKING, May 18, 1949—5 p. m.

[Received 10:49 p.m.]

1059. AMilAt and EmbOff today called at Aliens Affairs Office to present written protest (Deptel 576, May 12). Document was returned with statement military authorities now arranging interview in near future with Embassy officer concerning incident. From this development it appears may soon be possible present both oral and written protest direct to military authorities.

STUART

124.931/5-2249 : Telegram

The Ambassador in China (Stuart) to the Secretary of State

NANKING, May 22, 1949—10 a. m.

[Received May 22—1:43 a. m.]

1083. Interview with military authorities reported being arranged Embtel 1059, May 18, turned out to be for purpose returning to Embassy officer his original written request for interview between AMilAt and Liu Po-cheng with statement matter should be taken up through Aliens Affairs Commission. Accordingly Embassy official called May 19 on Huang Hua to present written protest for forwarding to highest military authority Nanking. Huang unwilling accept document for transmission on ground lack of instructions and instead requested oral account of incident which was given him. He then replied he was authorized to make statement and proceeded by referring to PLA's excellent discipline and Communist proclamation guaranteeing protect foreigners and asserted when he first heard of incident he was much surprised as Communist soldiers do not act this way. Now he had been formally informed of facts he will investigate. Embassy official pointed out Embassy's instructions went beyond recital of facts; we had been directed to protest incident to highest military authority in Nanking. Huang replied he could take no action on

matter at that time, but would consult with superiors. Huang was requested inform Embassy soonest of results his consultation.

Incident obviously great embarrassment to Communists. They hesitate accept protest as implying recognition Ambassador's official status, but at same time reluctant reject protest outright and thus laying selves open to charge of denying responsibility for incident for which in eyes of world they assuredly cannot escape.

In compliance Huang's suggestion, Embassy has subsequently submitted written statement of facts to assist in Communist investigation incident. I feel that we should not push protest further; that we have pressed our advantage to maximum point and that further initiative may well force unfavorable reaction detrimental to our present, future position here. As I reported to Department, incident is known and undoubtedly cause of embarrassment to Communist High Command (see Embtels 994, May 11 and 1021, May 14 to Department and Peiping's 730 to Department April 28). We have been informed on good authority that General Liu Po-cheng was "very angry" when informed of incident.

If Department agrees we will take no further steps at this end to press question of protest, either oral or written. We will not, of course, discourage any initiative which Communists themselves may take in this regard and will cooperate in any investigation which may require our assistance.

Repeated to Peiping.

STUART

124.936/5-2449 : Telegram

The Ambassador in China (Stuart) to the Secretary of State

NANKING, May 24, 1949—5 p. m.

[Received May 24—8:25 a. m.]

1102. As our experience somewhat different from Peiping, would comment as follows on Peiping's 860 [896] to Department:⁴²

Important consideration is maintenance channel communication, rather than form of document. Communist authorities Nanking refuse accept letter or memo signed with title. Embassy therefore using primarily unaddressed memos signed without title and handed to Aliens Affairs Office. When use letter desirable, it is addressed to Communist official by name without title and signed without title. Form in Chinese is that of letter between private individuals. Communists have not objected to inclusion in text language which makes obvious official character of representation and it appears unlikely that inclusion or omission official title either side likely seriously

⁴² May 18, 5 p. m., p. 1084.

influence effectiveness Communist action in response to such representations. However, we see no objection to using titles both sides if considered preferable in local situation, as Communist official addressed would in any case be local official and question implied recognition National Government would not arise. Believe question can usually be side-stepped by use of unaddressed memo delivered to Aliens Affairs Office with oral or textual request it be transmitted to appropriate authorities. Embassy agrees consular officers, as opposed diplomatic, should use official title in all cases where intercourse will not thereby be impeded. By so doing we maintain our position that consular officers are always competent to deal with any local authorities while diplomatic intercourse limited to National authorities.

Sent Department 1102; repeated AmEmb Canton 459; Shanghai 624; Peiping 179.

STUART

124.931/5-2249 : Telegram

The Acting Secretary of State to the Ambassador in China (Stuart)

WASHINGTON, May 24, 1949—9 p. m.

634. Urtel 1083, May 22. Dept wishes commend Emb on efficient and exhaustive manner in which it has proceeded re transmission protest Commie auths. Dept predisposed believe Commies shld not be allowed forget incident or necessity satisfactory reply to protest, but willing give Emb discretion it requires in accordance final para reftel.

WEBB

893.00/6-649 : Telegram

The Ambassador in China (Stuart) to the Secretary of State

NANKING, June 6, 1949—9 a. m.

[Received June 7—12:36 a. m.]

1215. Lo Hai-sha⁴³ June 3 brought message to me from Chen Ming-shu, Shanghai representative of Li Chi-sen, and leaders Shanghai KmtRC.⁴⁴ Latter has been very active in Shanghai, Hong Kong, Canton in rallying Kmt liberals to join with him in strengthening their point of view in prospective new Chinese government. He intends strongly to advocate friendly relations with USA. He has

⁴³ Nanking representative of General Chen Ming-shu.

⁴⁴ Kuomintang Revolutionary Committee.

acceded to pressure to go to Peiping because of realization that high policy discussions can only be fruitful at top level. He feels talking with even men like Chen Yi, new mayor Shanghai, is of only slight value.

Chen Ming-shu plans to call on me on his way north. Lo himself was surprised when I gave him facts about US aid to Nationalist Government and explained why shipments of munitions are still coming. During our discussion of Taiwan and US position I remarked to Lo that perhaps simplest thing would be to ask CCP leaders to look at facts. We could have included Taiwan in SCAP⁴⁵ or even claimed it as our share of postwar settlement as USSR did with Sakhalin and Kuriles, to say nothing of Manchuria. Actually we have even limited ECA activities to a few projects directly benefiting native farmers. Lo pointed out that both he and Chen will have to be very careful in not seeming to plead America's case before men as suspicious as CCP leaders.

Embassy undertaking to gather some factual material on US-Sino relations and US aid to China to assist Chen in his discussions Peiping.

Sent Department 1215; repeated Shanghai 658, AmbEmb Canton 500, Peiping 200.

STUART

123 Stuart, J. Leighton: Telegram

The Ambassador in China (Stuart) to the Secretary of State

NANKING, June 8, 1949—noon.

[Received June 8—1:09 a. m.]

1234. I, of course, wish to visit Shanghai before returning to US on consultation and I have made arrangements to do so June 11 to 14, inclusive. Trip has been cleared with local Communist authorities who will send representative with me. I shall also be accompanied by Attaché Kierman and Philip Fugh. I plan to travel on night train (sleeper) to Shanghai June 11, returning Nanking same manner night June 14.

I am making my trip subject of local press release to US correspondents, basing it on Department's instructions to assure myself of welfare of American citizens in Yangtze basin before returning to US on consultation.

Sent Department; repeated OffEmb Canton 610, Shanghai 663.

STUART

⁴⁵ Supreme Commander, Allied Powers in Japan (MacArthur).

711.93/6-849 : Telegram

The Ambassador in China (Stuart) to the Secretary of State

NANKING, June 8, 1949—noon.

[Received June 8—6:46 a.m.]

1235. Huang Hua invited me to tea June 6. Only other persons present were his assistant Ling Ke-yi (Yenching alumnus) and Philip Fugh. Conversation chiefly followed Huang's lead. It soon turned to relation between China and foreign countries with more particular reference to breaking off relations with Nationalist Government. I received two definite impressions from this discussion:

(1) CCP is extremely anxious to have foreign governments, particularly USA, discard a government which as Huang put it has completely lost the support of Chinese people, is in flight and will be further dispersed whenever Communist troops reach Canton.

(2) Deep sensitivity as to China's right to make her own decision in international field.

Huang had raised question of foreign relations in our first encounter (see Embtel 1021, May 14 to Department, repeated Canton 413, Shanghai 571) and I explained again why USA had to be passive; that politico-military development China was purely internal issue in which other countries should not interfere; that on emergence of new government we would want to ascertain whether it really represented people of China and was both willing and able maintain hitherto accepted international standards. I continued that after all Communist regime was at present nothing more than People's Liberation Army defeating Kuomintang troops and occupying steadily enlarging parts of country; that there were still very large areas nominally under Nationalist Government and that there was as yet not even pretense on Communists' part of administrative agency on national scale with which it would be possible for foreign countries to deal. I pointed out that presence in Nanking of chiefs of diplomatic missions (with exception of Soviet) after arrival of PLA could be regarded by CCP as significant. He quoted Mao's New Democracy to effect that CCP was willing to recognize any nation on terms of equality, mutual benefit and respect for each other's territorial and other sovereign rights.

I reminded him that this worked both ways; that while we fully acknowledged right of Chinese people to have any form of government they desired, yet if such Chinese Government had policy which threatened not to be mutually beneficial or which was committed to overthrow governments of other countries, then obviously this became something beyond purely Chinese issue.

I made further effort to explain position of consulates in occupied territory but without too much success. Huang Hua reiterated that CCP attitude toward consulates was based on latter's original establishment under and relationship with Kuomintang Government (see Embtel 1205, June 6,⁴⁶ re Soviet attitude). When asked our action should not [*National*] Government move Taiwan, I replied that in all probability we would not follow it there with diplomatic mission and that I felt that was position of other foreign countries concerned. He dodged such questions as should China be communized or industrialized first or would coalition government be as inclusive as possible to bring in Kmt liberals and other public spirited persons by replying in each case that was purely question for Chinese people to decide for themselves.

Following discussion of need of economic recovery of China, I asked what I might do to further mutual relations between our two countries which had long been my chief concern. Almost brusquely he replied that China needed to be allowed to work out her own destiny without interference; that all CCP wanted from US was stoppage of aid and severance of relations with "Kmt Government". As previously he harped on "past mistakes" of US Government, its miscalculation re strength of Kmt, its maintenance of AAG,⁴⁷ its continuing aid to Kmt, etc. Having reviewed 1948 China Aid Act⁴⁸ in earlier conversation, I merely pointed out that some shipments had been delayed and that continuing arrival of aid was result of circumstances now outside control of US Government.

I continued that, speaking for many Americans, there was widespread fear re Communist doctrine apparently supported by CCP which advocated world revolution by violence until all other nations had been communized by that process or by highly organized subversive activity; that this fear explained considerable in American attitude.

Conversation lasted about 2 hours. Certain other topics which were discussed will be reported in separate telegrams. Conversation was frank and at times almost beyond usual Chinese amenities. However, both men were very friendly to me and expressed their personal attitude of friendliness in various small ways.

Sent Department 1235, repeated OffEmb Canton 511, Shanghai 664.

STUART

⁴⁶ Not printed.

⁴⁷ Army Advisory Group.

⁴⁸ Approved April 3, 1948; 62 Stat. 158.

123 Stuart, J. Leighton : Telegram

The Ambassador in China (Stuart) to the Secretary of State

NANKING, June 8, 1949—6 p. m.

[Received June 8—9:38 a. m.]

1241. In recent conversation with Huang Hua I was pressed for definite details regarding my departure for consultation including date. Huang referred several times to July 1 which was date I had tentatively mentioned on our first meeting. I avoided direct answers by replying that my departure was closely related to progress negotiations for closing Mukden Consulate General.⁴⁹ However, since permission to repair Air Attaché plane here, in which I hope to exit, is related in Communist minds to date my departure, it would be useful if I could receive Department's confirmation its instructions for me to proceed US consultation within next 30 days (see Deptel 513, April 23, repeated Canton 106⁵⁰).

In preparation for departure it would be convenient to have some idea Department's intentions my future. Dept will doubtless be informed recent exchange views between my British colleague and his Foreign Office to effect once Chief of Mission leaves here he or his successor should not return until prospective Chinese Govt will have been formally recognized. Logic of this is irrefutable, yet in my special case I am of opinion that if I can be of any further service my Government it will be by returning here after sufficient period Washington. If Department agrees, perhaps some formula could be worked out for my return without violating international proprieties.

My reasons for desiring return are indicated in recent Peiping and Nanking telegrams regarding internal conditions CCP together with my belief liberals within or without Kmt are ready in large numbers to associate themselves with new regime if it can be persuaded to take more independent nationalistic as against pro-Soviet line. Am convinced our own most hopeful policy lies in this direction. In view of artificially inflamed anti-American feeling, my continuing presence here has also certain symbolic value.

Related to this question of course is future remaining Embassy staff Nanking (see Embtel 1115, May 25⁵¹) and whether Department desires maintain office of Embassy in Nanking after my departure or to reduce it to status and size of consulate.

Repeated OffEmb Canton 513.

STUART

⁴⁹ For documentation on this subject, see pp. 933 ff.

⁵⁰ *Ante*, p. 683.

⁵¹ *Ante*, p. 692.

701.0093/6-1349 : Telegram

*The Ambassador in China (Stuart) to the Secretary of State*⁵²

NANKING, June 13, 1949—2 p. m.

[Received June 13—7:48 a. m.]

1275. Diplomatic Corps has been subjected series restrictive measures which is beginning make many chiefs mission doubt wisdom remaining here longer. First, official automobiles were required registered in name of individual. In case of each ambassador, he was required add after his title "acting in capacity of foreign national". Following registration, automobiles were limited on purely arbitrary basis, from 1 to 5 cars each mission depending on its size. For most missions this is crippling and constitutes direct interference in official activities. Finally and most important, since resumption of commercial telegraphic facilities overseas, diplomatic missions have been unable to send coded messages. This has been made subject of informal protest to local Aliens Affairs Office by at least one mission without result.

There has been some agitation for meeting Diplomatic Corps and concerted action by that body vis-à-vis local authorities. However, Dean of Diplomatic Corps, who is French,⁵³ is unwilling to take initiative or responsibility for political reasons involving French-Chinese relations. At his suggestion, however, series of small meetings including all chiefs mission who remained Nanking were held last week at four embassies to discuss individual but parallel action. Plan of approach to local authorities on basis generally recognized privileges and immunities of diplomatic missions, drawn up by French Ambassador and approved by British, Indian and myself, met sufficient opposition from other colleagues to be discarded. Strongest objection was that if Corps approaches local authorities on this basis and receives rebuff or flat negative answer, chiefs mission, at least, would be forced to withdraw or find their position even more intolerable. Since all are not prepared to take this step now or are uninformed of their governments' desires in this connection, there is sufficient lack of unanimity to make parallel approach impractical. Abortive attempt of Diplomatic Corps to assert itself may have following beneficial results, however: (1) will inspire those chiefs mission without instructions concerning their future moves to request them and (2) quiet temporarily those chiefs mission who have been most vociferous in their complaints and demands for concerted action.

Sent Department 1275, repeated AmEmb Canton 528, Shanghai 688.

STUART

⁵² The Ambassador was away from Nanking June 11-16 on a trip to Shanghai (see telegram No. 1325, June 19, noon, p. 763). Telegrams from Nanking during this period were sent in his name.

⁵³ Jacques Meyrier, French Ambassador in China.

893.00/6-1349 : Telegram

The Ambassador in China (Stuart) to the Secretary of State

NANKING, June 13, 1949—5 p. m.

[Received June 14—11 : 39 a. m.]

1280. Chen Ming-shu dined with me June 10 en route Peiping. He was accompanied by his wife and Lo Hai-sha (see Embtel 1215, June 6 to Department, repeated Shanghai 658, Canton 500, Peiping 200).

Chen is thoroughly committed to broadening of CCP administrative personnel and program including international as against narrowly Soviet relations. He recognizes need for friendly relations with USA. Chen is conscious of CCP dogmatic intolerance as well as its conscious need of technical workers.

I gave Chen and Lo factual material prepared and translated by Embassy, including such things as abstract comparing Sino-Soviet treaties and Sino-American treaties; Sino-American trade figures showing importance to China of trade with USA and relative unimportance to US of foreign trade with China; brief history of Sino-American relations, et cetera. It was against this background that I did most of talking, feeling it unique opportunity to explain American position to non-Communist Chinese whose party will participate in pre-PCC reportedly convening Peiping next few days. In general my comment revolved around five points:

(1) Americans believe states with different ideologies can live together in peaceful world.

(2) We are primarily concerned in Chinese people rather than form of government they choose themselves, provided only government has support of whole nation and is willing and able to maintain accepted international standards. We are particularly interested in two features prospective CCP-dominated government: (a) Would it really maintain human rights as set forth in UN declaration, or would it follow usual procedure of totalitarian or police state? (b) Was it committed to world revolution by violence based on Marxist-Leninist theory? If so this position must be recognized as virtually open declaration of aggression both by subversive tactics and armed force and would be regarded by rest of world as the real imperialism threatening it.

(3) Indications of CCP foreign policy (yet unannounced officially) are disconcerting, to say least, to those who desire to maintain friendly relations hitherto maintained between US and China.

(4) CCP economic program, except most general terms, is likewise unannounced, although such official utterances as have been made appear discouraging to trade with USA.

(5) US attitude is one of waiting, observing. However, fact of my remaining Nanking together with other chiefs of mission (except Soviet) has significance which must surely be appreciated by CCP.

I emphasized that what US Government had more than once publicly announced as its policy toward China (sovereign independence, internal unity and peace, economic progress, truly democratic form of government) was precisely what almost all Chinese desired for China; that obstacle was alien factor which it was hoped Chinese statesmanship could solve.

Chen and Lo expect to be back in Nanking in about 4 weeks. In view of importance of my securing first-hand knowledge reaction of CCP top leaders to Chen's position I am inclined to feel that I should await his return before making my trip to US. I should be grateful for Department's comments thereon.

As interesting sidelight Lo related experiences their previous evening at dinner with General Liu Po-cheng. He referred to 16-course dinner, abundance of motor cars for guests, in fact everything up to old mandarin or Kmt standard. General Liu had confessed to them that economic outlook CCP territory was so serious he saw no solution. That the more they applied Marxist tenets the more difficult did their situation seem to become. In referring to difficulties in working out coalition government, Liu said CCP did not trust any one outside the party, yet it required expert help which CCP unable solely to provide.

Sent Department 1280, repeated OffEmb Canton 529, Shanghai 693, Peiping 215.

STUART

701.0093/6-1549 : Telegram

The Ambassador in China (Stuart) to the Secretary of State

NANKING, June 15, 1949—4 p. m.

[Received June 15—8:32 a. m.]

1292. British Ambassador has drawn up and circulated among Commonwealth colleagues his résumé situation in which chiefs of mission find themselves as result failure plan for concerted representations on privileges and immunities (refEmbtel 1275, June 13, repeated Canton, Shanghai). Summary of résumé as follows:

1. Powers will not withdraw recognition from Nationalists until recognizable successor government exists, since UN Security Council cannot function without Chinese member.

2. Powers desire act in concert and with caution.

3. Powers will consult first with Nanking envoys and therefore must ultimately recall them.

4. If envoys not recalled their presence in China embarrassing to powers while question recognition under debate.

5. As new government will not be constitutional successor to old, new agreements will be necessary. Powers desiring reappoint present envoys will scarcely wish envoys remain China while new government

debating their acceptability. Such envoys cannot be expected ask for own agreements and risk refusal.

6. If senior officers now Canton do not accompany Nationalists to Chungking, retention chiefs mission at Nanking may appear abandonment neutrality. Nevertheless can be argued chiefs should not leave Nanking until Nationalists leave Canton.

7. So long as powers continue recognize Nationalists, Communists will refuse even *de facto* relations and ignore Diplomatic Corps.

8. Nanking no longer capital and missions comparatively isolated. Without confidential telegraph and courier service their usefulness doubtful.

9. Although no official declaration made, Communists by acts and informal statements indicate no intention accord diplomatic immunities or prerogatives. For time being position of Corps is undignified but still tolerable.

10. All objectives envisaged by retention heads of mission at Nanking have been attained or are now no longer attainable merely by continuing retain heads here.

British Ambassador concludes points 3 to 10 inclusive must all be considered in determining date of recall. Envoys now can do no more than clarify for their governments situation in respect immunities, telegraph and code service and other prerogatives. Until such clarification obtained powers cannot well determine whether envoys should be left in position outlined points 7, 8 and 9. Immediate clarification therefore desirable but negative Communist response would of course not be deciding factor in powers' final decision. Certain envoys desire side-step issue in belief negative response would compel their governments to act precipitately in recalling them immediately. This view sufficiently well-founded to make concerted action all heads of mission impossible and British Ambassador concludes proposal must therefore be dropped.

Repeated Canton 539, Shanghai 703.

STUART

123 Stuart, J. Leighton : Telegram

The Acting Secretary of State to the Ambassador in China (Stuart)

WASHINGTON, June 16, 1949—7 p. m.

705. Reurtel 1241, June 8. Dept of opinion suitable time for your return Washington on consultation wld be when satisfactory withdrawal staff Mukden ConGen effected. Particularly since you have in conversation with Huang Hua related ur departure with closing Mukden ConGen, earlier departure might indicate to Commies US not primarily concerned with evacuation Mukden staff and might result in further delaying their withdrawal. Dept approves ur utilizing Attaché plane for departure China but desires you change to com-

mercial flight or MATS⁵⁴ on reaching first transfer point (e.g. Oki-nawa). As you undoubtedly aware, news correspondents will make every endeavor obtain statement from you at first point outside China and en route Washington. Suggested this regard you follow time-tested formula of informing correspondents you are proceeding to Washington to make report to SecState and can give no info or statement prior submitting report.

While there wld be obvious usefulness ur conferring with Clark Canton prior ur return Washington, Dept of opinion such visit necessitating calls Acting Pres Li and other high Chi officials wld excite speculation and misinterpretation. Having in mind possible repercussions such visit (including possibility Commies might block ur return China in any capacity), Dept wld appreciate ur comments and those of Clark re desirability such visit.

Re question future plans for you subsequent consultation, decision this matter will be reached by President in consultation with Secy Acheson and must therefore wait until Secy's return from Paris. Dept, however, very appreciative ur willingness continue serving in capacity you have so ably filled; for its part doubts whether feasible you return China in capacity Amb as long as Chi Commie regime unrecognized.

Re remaining Emb staff Nanking, Dept no present intention of reducing office to status or size consulate on ur departure for Washington. Emb shld continue functioning as at present under direction Counselor Jones who will assume charge, while Clark will be appointed Chargé d'Affaires in Canton. Dept's tentative view is that on departure from Canton of Clark (telCan 315, June 10⁵⁵), Strong⁵⁶ wld be apptd Chargé d'Affaires in Chungking.

Dept has recd no info re plans other major powers to recall ambassadors for consultation (reDeptel 510, Apr 22⁵⁷). Pls report present status their plans this regard.

Dept shld be consulted re exact date ur intended departure before plans finalized.

WEBB

123 Stuart, J. Leighton : Telegram

The Ambassador in China (Stuart) to the Secretary of State

NANKING, June 17, 1949—5 p. m.

[Received June 17—9:01 a. m.]

1312. I returned Nanking by Shanghai night train arriving here this morning 7 a. m. Trip without incident except half-hour delay

⁵⁴ Military Air Transport Service.

⁵⁵ *Ante*, p. 696.

⁵⁶ Robert C. Strong, First Secretary of Embassy.

⁵⁷ *Ante*, p. 682.

city gates Nanking while passes were checked. Department will recall Nanking railroad station outside city walls. Luggage, three unclassified pouches were not subjected to inspection.

Sent Dept 1312, repeated Embassy Canton 545, Shanghai 712.

STUART

123 Stuart, J. Leighton : Telegram

The Ambassador in China (Stuart) to the Secretary of State

NANKING, June 18, 1949—1 p. m.

[Received June 19—1:54 a. m.]

1317. When I first received Department's instructions to return US for consultation (Deptel 510, April 22,⁵⁸ repeated telCan 103, Shanghai 727), I requested Admiral Badger's⁵⁹ assistance in trans-Pacific flight in view of uncertainties availability commercial transport from China. Badger promptly replied by offering 4-motor plane his personal disposition (the one which flew Madame Chiang to US last autumn). Badger has still kept this offer open as seen by statements his recent press conference Tokyo.

Since I have staff airplane capable of making Pacific trip and because of obvious convenience of being accompanied by members my own staff, I prefer to use my Air Attaché's B-17 presently based Canton. (ReDeptel 705, June 16, repeated telCan 342, Shanghai 1213.) This plane would meet me in Okinawa after I had flown out of Nanking in Air Attaché's C-47. It could bring Minister Clark from Canton where I could have much-needed consultation with him at Okinawa without misinterpretation which would surely be attached to any visit of mine to Canton at this stage. Clark could return to Canton from Okinawa in C-47 which would then be based Canton. I see no special reason for keeping B-17 China once C-47 is released from here, and after it has transported me Washington it could be reassigned there by Air Force to more useful post.

If, however, flight of B-17 to USA at this time for this purpose is not agreeable to Air Force, I intend to accept Admiral Badger's offer his very comfortable plane which he has stated will be available to me on 24 hours notice whenever I request it.

Would be grateful for Department's comments.

Sent Department; repeated OffEmb Canton 547, Shanghai 714.

STUART

⁵⁸ *Ante*, p. 682.

⁵⁹ Vice Adm. Oscar C. Badger, Commander, U.S. Naval Forces, Western Pacific.

123 Stuart, J. Leighton : Telegram

The Ambassador in China (Stuart) to the Secretary of State

NANKING, June 18, 1949—7 p. m.

[Received June 19—2:01 a. m.]

1322. Now that I have completed Shanghai visit only remaining major problem before my departure China is safety, withdrawal Mukden ConGen staff. Although wall of silence finally broken, progress this problem slow, doubtful. These [There] is also reported pre-Political Consultative Conference Peiping which I surmise Chen Ming-shu and others have gone north to attend. I should like to obtain some firsthand information on it before my return Washington. Chang Tung-sun,⁶⁰ who may still visit me Nanking en route Shanghai next month, will be delegate. (See Peiping's 644, June 9, repeated Department 969,⁶¹ Canton 155.) Consequently if there is not too great discrepancy between happy conclusion Mukden affair and termination pre-PCC, I should like to delay my departure China until I can have received firsthand accounts of Communist position, possible future coalition government from some of my old friends in attendance. (See Embtel 1280, June 13, repeated Canton 529, Shanghai 693.) In any event I shall comply with Department's instruction to consult re exact date my intended departure within next few weeks.

Present status plans other major powers to recall Ambassadors for consultation are as follows:

1. Netherlands Ambassador expects recall and will not return China. (For Department's confidential information, I believe he is resisting recall.)

2. British Ambassador has no specific instructions to return but convinced it is HMG's intention recall him eventually and before formation Communist Nationalist [National?] Government. HMS *Amethyst* affair is of course holding Stevenson here as Mukden affair detains me.

3. French Ambassador has no instructions to return and on contrary believes his Government desires him remain China until France has worked out details recognition Chinese Communist Government. (Department may wish to try to bring French Government into line with others since it is absurd to believe that Communist aspirations French Indochina will be influenced by appeasement policy followed by French Ambassador, Nanking.)

4. Canadian Ambassador plans to return Canada for normal home leave this summer.

5. Belgian, Italian and Portuguese have no instructions, but Italian Ambassador is suggesting his return Rome during summer and following my departure. Believe Portuguese will follow our [and] British lead.

⁶⁰ Professor at Yenching University, Peiping; member of the Democratic League.

⁶¹ *Ante*, p. 376.

6. Indian and Burmese Ambassadors apparently have authority to leave at any time and are planning to return their respective countries as soon as exit permit facilities established and transportation available.

7. Thailand Ambassador instructed close Embassy Nanking and return Bangkok.

8. Afghan Minister recalled Kabul, leaving First Secretary in charge Nanking.

Sent Department; repeated OffEmb Canton 550, Shanghai 717.

STUART

123 Stuart, J. Leighton : Telegram

The Minister-Counselor of Embassy in China (Clark) to the Secretary of State

CANTON, June 19, 1949—10 a. m.

[Received 11:49 p. m.]

Cantel 612. Agree that visit Ambassador [to] Canton en route Washington for consultation will excite speculation and misinterpretation (Department's 705, June 16 to Nanking, telCan 342, Shanghai 1213). In answer to inquiry which have received from various Government sources, have invariably replied felt sure Ambassador would wish visit Canton but feared Communists might refuse him exit permit except on condition he proceed direct US. Regardless Communist attitude, believe disadvantages possible repercussions Ambassador's visit here outweigh advantages conferring with me prior return Washington. From my telegrams he is aware trend my thinking. Also there is increasing evidence disintegration Kmt Government. By appointing Strong First Secretary and detailing him Chungking⁶² we will give Government great boost morale. For Ambassador come south would, I believe, be overdoing it.

Am inclined agree Department's tentative view that in event simultaneous absence China [of] Ambassador and myself Strong should be appointed Chargé d'Affaires, Chungking. Both Soviet and Czech Missions in absence chiefs missions have appointed Canton representative Chargé and it may yet develop that both will move Chungking with Government. After all it will be Strong who will be representing US Government near Chinese Government and to let it be known that someone Nanking was assuming charge in absence Ambassador might lead embarrassing publicity as well as detract from gesture of support incident maintaining diplomatic contact Chungking.

Sent Department; repeated Nanking 409, Shanghai 348.

CLARK

⁶² See telegram telCan No. 315, June 10, p. 696.

893.00B/6-1949: Telegram

The Ambassador in China (Stuart) to the Secretary of State

NANKING, June 19, 1949—noon.

[Received June 20—7:24 a. m.]

1325. I left for Shanghai evening June 11 returning by night train June 16. Trip seemed very worth while. Immediate purpose was have conferences American businessmen and missionaries. I met each group separately with about 25 present each case. They seemed pleased this opportunity as I certainly was myself. I met individuals or smaller groups each type when discussion went along same lines. Also had several contacts with Chinese: One with Yenching graduates, another with Christian leaders. Of more practical value perhaps were visits, very confidentially, from certain politically active Chinese. One was Lo Lung-chi, Vice Chairman Democratic League, another with Li Chen, one of peace delegation.

Philip Fugh went with me, had long talk with Chang Han-fu,⁶³ opposite number to Huang Hua here. . . .

Foreign and Chinese employers alike apt worry over labor troubles. They have been precipitated by Communist propaganda in past, but new authorities thus far seem more conservative than employees in individual factories. Trade Unions seem somewhat between the two. Unless CCP leaders can adopt more realistic and tolerant course than their earlier theoretical approach, they may alienate both management and labor.

This trip to Shanghai gave me ample evidence local CCP authorities very anxious develop international trade and make utmost use Shanghai for promoting industry, communications, production, reconstruction. To this end they especially want friendly relations with USA. They very curious as to why I had made trip, what my impressions of their take-over had been and what my general attitude was to these issues. How much this is merely effort solve local problems or represents purely temporary tactical shift it [*is*] open question. They are hampered by strictness their own system and in way that subordinates have of overreaching their authority they seem to foreign merchants to be indifferent, incompetent. My impression is this largely due to regimentation which gives very little discretion and makes person concerned more anxious follow instructions than get results. Of greater importance is indication this trip afforded me of veering toward national interests in economic recovery with international help, at least among one influential element of CCP leaders. This gives us an opportunity to influence their policies by

⁶³ Director of Alien Affairs Office of Communist Military Control Commission at Shanghai.

firm but tactful insistence on principles which we believe essential to any satisfactory cooperation.

Sent Department 1325, repeated Canton 561, Shanghai 720.

STUART

123 Stuart, J. Leighton : Telegram

The Secretary of State to the Ambassador in China (Stuart)

WASHINGTON, June 23, 1949—8 p. m.

736. Urtel 1317, June 18. Dept understands Dept Air Force intends order Air Attaché's B-17 return US prior reassignment Canada. Dept informed Air Force instructing Air Attaché adjust plans for flight suit your schedule. Understand Air Force bearing cost trip as normal operational transfer. In view above no objection ur utilizing return of B-17 for trip to Washington. Suggest you coordinate plans Air Attaché keeping Dept informed. Dept wld not be disposed approve trip in Adm Badger's plane as costs, whether chargeable Navy or State, wld be excessive and wld rightly subject Navy, State and yourself to public criticism.

ACHESON

123 Stuart, J. Leighton : Telegram

The Ambassador in China (Stuart) to the Secretary of State

NANKING, June 24, 1949—5 p. m.

[Received June 24—10:27 a. m.]

1371. I have had word indirectly from Chen Ming-shu that he has already had conversations with Mao Tse-tung⁶⁴ and Chou En-lai which he regards as completely satisfactory. He reports that he will hasten his return to Shanghai via Nanking and expresses hope that I will delay my departure for US accordingly (see Embtel 1322, June 18). Further comment will be made after I have heard directly from Chen but I consider it significant that he saw these two top Communist leaders so promptly and advanced date return south with their approval.

STUART

⁶⁴ Chairman of the Central Committee of the Chinese Communist Party.

701.5193/6-2849

*Memorandum of Conversation, by the Assistant Chief of the Division
of Chinese Affairs (Freeman)*

[WASHINGTON,] June 28, 1949.

Mr. Daridan⁶⁵ called today at his request and referred to a question which I had asked on a previous occasion with regard to any plans which the French Government might have to recall Ambassador Meyrier in Nanking to Paris for consultation. Mr. Daridan stated that he had queried Paris on this point and had received a non-committal reply from the Foreign Office. The French Government took the view, according to Mr. Daridan, that, as there was little likelihood of early diplomatic recognition of the Chinese Communist regime, no harm would be done by Ambassador Meyrier's remaining in Nanking for the time being.

It was obvious from other remarks of Mr. Daridan that the principal reason for the reluctance of the French Government to withdraw their Ambassador at this time was based on the increasing Communist threat to southeast Asia and the possible necessity of dealing with the Chinese Communists in this regard. I gained the impression that the French Government is of the opinion that it must maintain all of the contacts which it presently has with the Chinese Communists in order to protect French interests insofar as possible.

In commenting on the situation in China, Mr. Daridan stated at one point that nothing can now be done to save the Nationalist Government in China—that no military, political or economic assistance would be of any use. He also gave as his opinion that the Communists have the capability of occupying Yunnan Province at any time and of proceeding across the border into Indo-China. Discounting the feasibility or advisability of employing military force, Mr. Daridan suggested that the U.S. Government give consideration to employing economic warfare techniques against the Chinese Communists should they give indication of plans to invade Indo-China or Siam.

I pointed out to Mr. Daridan the probability that the Communists would require a considerable period of assimilation following their conquest of China proper before they would consider the invasion of foreign countries. I stated, however, that the U.S. had for some time been considering the application of certain controls over trade with Communist China, not primarily with the idea that such controls would be utilized immediately but in order that the machinery would be available for use at any time when such action might be considered necessary. Mr. Daridan indicated interest in the progress of discussions on this matter and I assured him that he would be informed

⁶⁵ Jean Daridan, Counselor of the French Embassy.

prior to any public announcement which might be made on this subject.⁶⁶

123 Stuart, J. Leighton : Telegram

The Ambassador in China (Stuart) to the Secretary of State

NANKING, June 30, 1949—noon.

[Received June 30—5:38 a. m.]

1410. Huang Hua called on me by appointment June 28. He reported that he had received message from Mao Tse-tung and Chou En-lai assuring me that they would welcome me to Peiping if I wished to visit Yenching University. Background of this suggestion is as follows:

In early June Philip Fugh, in one of his conversations with Huang, asked casually, and not under instructions from me, if it would be possible for me to travel to Peiping to visit my old University as had been my habit in previous years on my birthday and Commencement. At that time Huang made no comment. However, 2 weeks later, June 18 to be precise, in discussing my return to Washington for consultation, Huang himself raised question with Fugh of whether time permitted my making trip to Peiping. Fugh made no commitment, commenting only that he himself had made this suggestion 2 weeks earlier. Neither Fugh nor I followed up this suggestion but apparently Huang did. Present message (almost an invitation) is reply.

Regardless whether initiation this suggestion is considered [by] Peiping to have come from me or from Communists, I can only regard Huang's message as veiled invitation from Mao and Chou to talk with them while ostensibly visiting Yenching. To accept would undoubtedly be gratifying to them, would give me chance to describe American policy; its anxieties regarding Communism and world revolution; its desires for China's future; and would enable me to carry to Washington most authoritative information regarding CCP intentions. Such trip would be step toward better mutual understanding and should strengthen more liberal anti-Soviet element in CCP. It would provide unique opportunity for American official to talk to top Chinese Communists in informal manner which may not again present itself. It would be imaginative, adventurous indication of US open-minded attitude towards changing political trends in China and would probably have beneficial effect on future Sino-American relations.

⁶⁶ For documentation regarding trade controls, see vol. ix, pp. 817 ff.

On negative side, trip to Peiping before my return to US on consultation would undoubtedly start rumors and speculations in China and might conceivably embarrass Department because of American criticism. It would probably be misunderstood by my colleagues in Diplomatic Corps who might feel that US representative was first to break united front policy which we have sponsored toward Communist regime and might prove beginning of trek of chiefs of mission to Peiping on one pretext or another. Trip to Peiping at this time invariably suggests idea of making similar one to Canton before my return to US.

While visiting both capitals might effectively dramatize American interest in Chinese people as a whole, it might also appear as peace-making gesture, unwarranted interference in China's internal affairs, and would probably be misunderstood by Chinese Communists, thus undoing any beneficial effects of visit north. Finally, trip of US Ambassador to Peiping at this time would enhance greatly prestige, national and international, of Chinese Communists and Mao himself and in a sense would be second step on our part (first having been my remaining Nanking) toward recognition Communist regime.

I received clear impression that Mao, Chou and Huang are very much hoping that I make this trip, whatever their motives. I, of course, gave Huang no answer to Mao's message, replying that, while I enjoyed going back to Yenching, this year had assumed it would be out of question, that I had already delayed longer than intended my departure for Washington; that travel on as yet incompletely restored railway line to Peiping might be taxing for "feeble old man", et cetera. Question of using my airplane was raised. Huang objected on ground danger from Communists' anti-aircraft batteries; that it would take couple days at least to give proper instructions and that there would always be some risk. He continued Peiping trip can now be made in less than 3 days by train, adding that all facilities of railway would be put at my disposal. I could, if thought desirable, make airplane travel condition to visit Peiping and it is not to be excluded that permission would be granted. There is consideration that prestige of travel Peiping my own plane would somewhat offset negative features outlined above.

I have made this rather full statement of case for Department's consideration and decision. I am, of course, ready to make journey by either means should Department consider it desirable, and should be grateful for instructions earliest and nature of reply to Huang.

Sent Department, repeated Shanghai 780, OffEmb Canton 594, Peiping 243.

STUART

123 Stuart, J. Leighton

*Memorandum by Mr. John P. Davies of the Policy Planning Staff
to the Director of the Staff (Kennan)* ⁶⁷

[WASHINGTON,] June 30, 1949.

Walt ⁶⁸ is very anxious that you see the underlying message from Stuart. ⁶⁹ It strikes me as being extremely significant—even more so than the *démarche* made by Chou. ⁷⁰ (It may even be an explanation of why Chou turned down the approach from Clubb through an intermediary.)

Obviously, the Communists would try to make as much capital as they could out of such a visit. All of the objections raised in the message are valid.

The utility of the visit to my mind is less what Stuart would learn—which would probably be a great deal—than what he could under our instructions tell the Communists. And that should be plenty. He should give them a curtain lecture in even stronger terms than that presented by Bedell Smith ⁷¹ to Stalin. ⁷²

What worries Walt most is the domestic reaction in this country to such a move. And that reaction could be violent. Walt's formula is that Stuart should accept only on the basis that he will fly in his own plane to Mukden to (a) make sure that all facilities were made available for the departure of the staff there and (b) bring Mr. and Mrs. Ward ⁷³ back in his plane, stopping off at Peiping en route to see Mao and Chou. Walt feels, and I think rightly, that this would make a lot of face for us in Asia and that it would be a justification in the eyes of the American public for the visit.

The hooker in this is that such terms might well be quite unacceptable to the Communists and the opportunity for conversations would be lost by making it contingent upon such terms.

It seems to me that the problem of American public criticism could be met in a large measure by a statement which would be issued by the Department following the conversations in which we would make clear that Stuart had not gone to Peiping to play footy-footy with the Communists but had gone there, as would be the fact, to read them the riot act.

⁶⁷ Notation by Mr. Kennan for the Deputy Under Secretary of State (Rusk): "7/1/49—Mr. Rusk—Dean—Since I am leaving this afternoon thought you might like to see this. G.F.K." Notation by the Assistant Chief of the Division of Chinese Affairs (Freeman): "Shown to the Secretary 7/1/49 by Mr. Rusk." Notation by the Director of the Office of Far Eastern Affairs (Butterworth): "Absent from Dept 7/1/49 seen 7/5/49 WWB".

⁶⁸ W. Walton Butterworth.

⁶⁹ Telegram No. 1410, June 30, *supra*.

⁷⁰ For documentation, see pp. 357 ff.

⁷¹ Ambassador in the Soviet Union, 1946–49.

⁷² Marshal Josif Vissarionovich Stalin, Soviet Prime Minister and Chairman of the Council of Ministers of the Soviet Union.

⁷³ Angus Ward, Consul General at Mukden.

Walt's position is that the ultimate decision turns on an estimate of American domestic reaction and that that is a factor which he is not competent to judge. It must be weighed by the Secretary and a decision made by him.

123 Stuart, J. Leighton : Telegram

The Consul General at Shanghai (Cabot) to the Secretary of State

SHANGHAI, July 1, 1949—4 p. m.

[Received July 1—11:29 a. m.]

2585. ReEmbtel 780, June 30, noon.⁷⁴ I suspect one of reasons Mao and Chou may wish see Ambassador is to discuss increasingly difficult situation prevailing Shanghai. Telegrams already sent by Consul General and two now being drafted show how Communists have found themselves involved in unexpected and unwanted snarls with foreigners and how seriously they must be concerned at course of economic developments in Shanghai.⁷⁵

With regard attitude of other friendly powers, we strongly suspect Western interest in Shanghai would welcome Ambassador's proposed trip with open arms as first means of putting West viewpoint before top Communist leaders and therefore of protecting those interests. All West representatives here both official and private are suffering from severe case of pessimism and frustration. Although British might feel some pangs of jealousy at American Ambassador having first top-level talks, I believe this would be much more than counter-balanced by their anxiety to have something effective done to protect their immense commercial stake in China.

Sent Department, repeated Nanking 1424.

CABOT

123 Stuart, J. Leighton : Telegram

The Secretary of State to the Ambassador in China (Stuart)

WASHINGTON, July 1, 1949—6 p. m.

775. Following highest level consideration urtel 1410,⁷⁶ you are instructed under no circumstances to make visit Peiping. Principal reasons for negative decision are those contained urtel.

ACHESON

⁷⁴ Same as telegram No. 1410 from Nanking, p. 766.

⁷⁵ For documentation on conditions in Shanghai, see pp. 1155 ff.

⁷⁶ Dated June 30, noon, p. 766.

123 Stuart, J. Leighton : Telegram

*The Minister-Counselor of Embassy in China (Clark) to the
Secretary of State*

CANTON, July 2, 1949—6 p. m.

[Received July 3—1:30 a. m.]

Cantel 681. Advantages Ambassador visit Peiping seem obvious (Nanking's 1410, June 30, to Department, repeated Shanghai 780, Canton 594, Peiping 243). However, in making decision for or against, Department should bear in mind numerous requests I have received that Dr. Stuart visit Canton prior his return US. For Ambassador visit Peiping and not Canton would be taken here as unfriendly act and would be terrific blow prestige Government which has not much prestige left.

Sent Department Cantel 681; repeated Nanking 457, Shanghai 394, Peiping 12.

CLARK

123 Stuart, J. Leighton : Telegram

The Ambassador in China (Stuart) to the Secretary of State

NANKING, July 6, 1949—11 a. m.

[Received July 6—2:28 a. m.]

1442. For purposes of making test flight of Embassy plane, Air Attaché is informing local authorities that I hope to leave Nanking for US around July 15. I have had word from Chen Ming-shu that he will be in Nanking July 12-13 en route from Peiping back to Shanghai. (See Embtel 1322, June 18 to Department, repeated Canton 550, Shanghai 717.) After my conversation with him I will be ready to return to US on consultation and should like to leave between 15th and 20th this month.

Mukden affair still drags on. Fugh spoke to Huang Hua about it again last week (see Embtel 1441, July 5 to Department,⁷⁷ repeated Canton 609, Shanghai 800). While latter was noncommittal, inference Fugh drew was favorable to ultimate settlement. If I could have indication from Ward within next 10 days that he were making progress with packers, skippers [*shippers*], transportation, I would feel that I could do little more for him here and could myself depart with some degree of satisfaction.

Since considerable planning is involved at this end and Communist inexperience, native suspicion will work toward delays, does Department approve my setting target date for departure on or about July 15? (Deptel 705, June 16, repeated telCan 342, Shanghai 1213.[])

⁷⁷ Not printed.

If no progress Mukden, target date can be advanced from time to time. For security reason, prefer actual date of my departure be kept secret until after arrival first stop, that is Okinawa.

Sent Department, repeated OffEmb Canton 610, Shanghai 802.

STUART

893.00/6-2249

*Memorandum by General Chen Ming-shu, Chairman of the Shanghai Board of the Kuomintang Revolutionary Committee (KmtRC)*⁷⁸

SUPPLEMENTARY MEMO TO CONVERSATION WITH MR. L. STUART

As I have a long standing friendship with the Chinese Communist authorities and I also have with you a recent friendship of a special nature, I had personal conversations with you several times at your invitation and was commissioned by you to discuss them with the Chinese Communist authorities. I now wish to inform you of the important points in the replies which I received as a result of my conversations with the Chinese Communist authorities.

Before reporting what they said I first want to tell you, with complete objectivity and lack of prejudice, what I personally gained from my observations. We must both put aside our national concepts—only thus will it be easy to gain a true insight. The results of my observations may be divided into five points:

1. *Chinese revolutionary history is divided into periods.*

[Here follows historical discourse. It concludes that success of present revolution is merely military success in war and political construction will be much more difficult.]

2. *The people's century is beginning to appear in China.*

What does it mean to say that the people's century is beginning to appear in China? It may be proved by the following points:

(a) In my contacts with all classes in China it may be said without exception, no bureaucratic attitudes are to be observed, still less bureaucratic habits. From administrative organs through the various social groups, all give evidence of having thoroughly destroyed bureaucracy. While in Peiping at this time I observed that from Chairman Mao on down they all had eradicated *official calls* and similar empty forms. If you had an important matter and asked to see someone then a time would be fixed for an interview or they might not wait for a request for an interview but go themselves to see you. There

⁷⁸ Handed to the Ambassador in China and carried by him on his return to the United States; received in the Department about August 15. The Chief of the Division of Chinese Affairs (Sprouse) in a memorandum on August 25 described this as "of considerable interest as indicative of the thinking of the Chinese Communists and also at least of one non-Communist Chinese". (893.00/8-2549)

was absolutely no "polite conversation". Talk was confined to discussion or solution of actual problems. There was not one among them who did not display the aspect of the most ordinary man, particularly Mr. Mao. Immediately upon seeing his friendly attitude one unconsciously felt "this is truly a leader of the people". It might be said that if you draw apart from the people you cannot see Mao Tse-tung. Mao is the people. Also, if you draw apart from the people you cannot see the Communist Party. The Communist Party is the people. Their spirit of study, the rigid execution of their system of criticism and self-criticism, particularly as it hastens political reform and as a motive power for construction, I will not take time to elucidate in detail.

(b) What is the secret of success of the People's Liberation Army's high discipline and high education? It is in causing each officer and soldier to understand not only the object of the revolution but to understand that his duty is to act for the people and that acting for the people is acting for himself. The people are the owners of the land, that is to say, he himself is owner of the land although the portion belonging to him may be extremely small. However, without struggling to establish the correct position of the whole body of land, his small portion might be lost. Therefore, the sole policy and objective of the PLA is to fight for the attainment of the rights of all the people. In contrast, the men in Chiang Kai-shek's army do not know why they are fighting. They fight blindly and without purpose. It is this which determines victory or defeat, prosperity or adversity.

(c) The People's Liberation Army, both behind the lines and at the front, creates all kinds of lines of support through the organized strength and the great contributions of the "People's auxiliaries". This is a veritable miracle. The 600,000 people's auxiliaries organized by the present Vice-Governor of Shantung, General Kuo Tzu-hua, may be cited as evidence. This enormous unit of people's auxiliaries with innumerable camels, horses and carts was initiated, brought together, apportioned, sent forward, controlled and managed by the people themselves without any need for supervision by soldiers and without any case of desertion. According to what General Kuo told me when I passed through Tsinan on my way north, at the present time there are 50,000 people's auxiliaries who have crossed the Yangtze with the Army and have not yet returned from south of the river. This amazing kind of organization and enormous strength seems almost unbelievable. If it is not a miracle what is it? Another instance was that of the Tientsin-Pukow railway where, except for the bridge across the Yellow River, almost all of the steel bridges along the route had been destroyed by Chiang's army, but the army and the people's auxiliaries worked day and night to restore

them so that section by section through traffic was resumed. Finally, because the great steel bridge across the Huai River had been blown up, another crossing spot was found and by the use of wood alone in place of steel, within a very short time they were successful in restoring through traffic. This also was almost unbelievable. These two things are proof of the immense strength of the people and its inexhaustibility.

(d) On my trip south from Peiping between Hsuechow, Pengpu and Nanking I saw the whole body of civil and military public employees, troops and aroused people struggling day and night against the floods. Everywhere newspapers were full of the struggle for flood prevention. This again is sufficient proof of the cooperation of Army and people, and the unity of the officials and the people. Officials and army do not exist outside the ranks of the people. The four facts which I have cited are confirmation that my assertion that the people's century is beginning to appear in China is not merely empty words.

3. *The importance of this great manifestation of the Chinese People's Revolution in influencing the world situation.*

This point need not be dwelt upon at length. I shall mention briefly two recent illustrations. First, are the successive meetings in Europe in the last six months of the World Peace Congress, the World Federation of Trade Unions, and other labor and professional bodies, all of which unanimously announced their recognition of the influence on the world situation of the victory of the Chinese People's Liberation Army, expressing their highest hopes for the Chinese Revolution and submitting valuable criticisms. Second, is the revolutionary success of Mr. Mao Tse-tung's doctrine of progression from agrarianism to urbanism, which was not contained in earlier Marxist-Leninist thought. As it gradually enters upon its period of success, we first see the extraordinary contribution of his theory to Marxism-Leninism. Thus, it may be called a Sinicized Marxism-Leninism. Mr. Stalin also has told his comrades that the Soviet Union was not aiding the Chinese Communist Party, but we should study the excellent discoveries made by the CCP. It may be seen that the success of the present revolution exercises an influence, not only on international bodies, as shown above, but on Russia as well. This is of great importance.

We must thoroughly explain the essence and content of the foregoing three points in order to avoid any misconception of the Chinese Communist political line and to make clear that that line *has always been definite, unalterable and correct*. The phrase, "*leaning to one side*" indicates this, but on no account can "*leaning to one side*" be misinterpreted as implying dependence on others. To understand the phrase in that way would be an insult. It must be understood that *our political line is entirely our own*. It must be further understood

as regards our national independence there can never be any question of dependence on others.

Furthermore, *national position and political line must not be confused. These two questions basically are one, but they also stand opposite to each other. For example, during the Second World War, the political line of Russia was not the same as that of England and America; yet, from the point of view of national position, Russia could fight shoulder to shoulder with England and America. Another example is the sympathy manifested by your Mr. Wallace⁷⁹ for the people's front, naturally, in opposition to the position of President Truman. Notwithstanding, Mr. Wallace cannot be said to differ with President Truman on the question of American national standing, since in this matter he is necessarily profoundly patriotic. China's present revolution, aside from uprooting feudal and compradore influences and casting off all foreign bonds, must uphold the dignity of the nation's independence and sovereignty. We must obtain a long period of peaceful construction and achieve a strong position.*

It is essential that we understand thoroughly the unity and the opposition of the foregoing two propositions in order to understand the kind of mission with regard to China's future being undertaken by Mr. Mao Tse-tung and the party led by him. I offer these explanations to assist you in judging soundly because your remarks with respect to Mr. Mao's statements to the opening session of the Preparatory Committee of the new PCC and on the anniversary of the founding of the Chinese Communist Party on July 1, indicated disagreement and doubt. What I have said above is in accordance with Mr. Mao's comment, "*In politics, severity is necessary. In economics, give-and-take is permissible.*" In our conversation yesterday, because of considerations of time, I was unable to complete my remarks, and I agreed to write a supplementary memorandum for your reference. The four points which Mr. Chou En-lai asked me to convey to you, I have already stated in detail in our conversation and have also recorded them on a separate sheet.

CH'EN MING-SHU, July 10 [1949].

[Annex 1]

Memoranda by Mr. Lo Hai-sha for General Chen Ming-shu

1. Chou (En-lai) and Yeh (Chien-ying)⁸⁰ repeated last year's telegraphic request for continued liaison.

2. Mao (Tse-tung) was still able to name the date of the Stuart-Ch'en talks last year.

⁷⁹ Henry A. Wallace, Vice President of the United States, 1941-1945; Progressive Party nominee for President in 1948.

⁸⁰ Communist Mayor of Peiping.

3. The emphasis they placed on studying the documents and (the way) they mentioned comparative figures.

4. Praise for Mr. Stuart's spirit during the Japanese period and his accomplishments during several decades of educational work in China.

5. The friendship of President Roosevelt, General Stilwell,⁸¹ and Mr. Wallace for China.

6. They sent Mr. Stuart their most important hopes for the future.

The importance attached by the CCP to future Sino-American relations as evidenced by the above 6 points.

Moreover, it can be said with respect to the very great hopes sent Mr. Stuart that these are the very great hopes for future Sino-American relations. What they mean by "hopes" is of course not that the U.S. walk the road of the Soviet Union or enter the embrace of the Soviet Union, but they hope that hereafter the U.S. will not again aid the reactionary government of Chiang Kai-shek in China; and they hope that she will be able to act and formulate policies in the manner of President Roosevelt, General Stilwell and Mr. Wallace. If the U.S. can treat the future China like this, China will naturally treat the U.S. with similar friendship. This of course will depend upon Mr. Stuart's efforts after he returns to his country. (Signed) Lo Hai-sha

1. Looking at their general propaganda Mr. Mao spoke personally to Mr. Ch'en asking that Mr. Stuart read his statement of June 20,⁸² from which he would know his (Mao's) attitude. Of course what he referred to was the last section, in which he hoped that China would open diplomatic and commercial relations with all countries on the basis of independence and sovereignty.

2. The July 1 article was of course a sort of statement for his own party⁸³ and cannot be viewed in a purely political light. Furthermore, in the sixth paragraph from the end he clearly admits that the realization of socialism will still require a long time and that it can be said that China is a special case.

3. The July 7 message to the Preparatory Committee for the New Political Consultative Council commemorates Japanese aggression against China. Since Japan today is under American leadership, America is mentioned at many points. Their way of talking about America should be divided into two types. The first type, constituting 7 or 8 tenths, uses only the word "America". The second type, only about 2 or 3 tenths, uses "American imperialism." From this we can see that they discriminate in their method of speaking. Ref-

⁸¹ Lt. Gen. Joseph W. Stilwell, Commanding General, U.S. Army Forces in the China-Burma-India Theater, 1942-44, and Chief of Staff to Generalissimo Chiang Kai-shek.

⁸² See telegram No. 1045, June 20, from the Consul General at Peiping, p. 392.

⁸³ See telegram No. 1443, July 6, 1 p.m., from the Ambassador in China, p. 405.

ferences to "America" means the great part of the American administration which is friendly to China. Reference to "American imperialism" means the bad part of the American Government. This is like the case of the Kmt, where they cooperate with the KmtRC but stand in opposition to the Kmt reactionary clique. This is a very clear fact.

Judging from the above three points, as soon as formal diplomatic relations are established between the U.S. and China, a different attitude will be manifest in their propaganda. (Signed) Lo Hai-sha.

Regarding the individual treatment of foreigners according to what their authorities told Mr. Ch'en, they dispose of Soviet citizens infringing the law in the Northeast uniformly in accordance with Chinese methods. Hence, they will treat the individual nationals of other countries in the same way. This point is also a general phenomenon in sovereign and independent states and cannot, of course, be considered as a specially hostile attitude.

Concerning the disposition on this occasion of the American cotton in Shanghai, the CCP has not issued one word. In my opinion, this is because it is not proper for them to speak in the absence of formal diplomatic relations. At the same time, pressed by personal consideration for Mr. Stuart, I think that even without going through formal diplomatic procedures, if America publicizes this affair, they will of course not deny it. (Signed) Lo Hai-sha

[Annex 2]

Two Talks With Mr. Chou En-lai

I. The Revolution has been forced upon us.

The breaking of the peace originated with the U.S. Because the U.S. wanted dictatorial rule, she supported reactionaries.

Nobody can interfere with the self-determination of the people's democracies.

Interference has taken place in countries such as Greece, Italy, and China.

Today has come about because there has been supporting of reaction and disruption of unity.

Mr. Mao Tse-tung's four steps for dealing with the enemy:

1. Control others by letting them have the initiative;
2. To retire and not seek a struggle (in the face of superior force);
3. To requite good with good (and bad with bad);
4. In dealing with others, use their own methods.

That the supporters of peace should be opposed to aggression, interference, and monopoly is because of their freely made decision.

Our peace front has been built by all peoples. This is the first idea.

II. 1. In the time of Yuan Shih-k'ai the Soviet Union was the first to establish friendly relations with the Kuomintang of Sun Yat-sen.⁸⁴

2. The Soviet Union was the first to recognize the Chinese Revolution.

3. Also in the anti-Japanese War, the Soviet Union was the first to give aid to China.

4. The U.S. in the beginning gave Japan material aid—such as scrap iron, etc.

5. The U.S. aided Chiang Kai-shek.

6. The Soviet Union respected Sino-Soviet treaties.

7. We will always remember the friendship accorded us in the period after the war by President Roosevelt, General Stilwell, and Mr. Wallace.

8. The plan of Marshall⁸⁵ and Wedemeyer⁸⁶ to aid Chiang. Great virtue never commits transgressions; small virtue may transgress.

America's many good points pertain to small matters, Soviet Russia's to large.

III. With respect to the question of Mr. Stuart himself, we must estimate virtue and measure power. Of course, he is a representative of imperialism—people in government carry out the policies of their government. But the personal qualities he displayed during the time he was confined in Japan (*sic*)⁸⁷ very much deserve respect. In the present case too, we must listen to his words and observe his actions.

IV. When he says that China depends upon the American economy and that America does not depend upon China, he is completely wrong.

His statistics are reliable, but his conclusion is the reverse of the truth.

He says the U.S. has no need at all for t'ung oil, raw silk, pig's bristles, etc.

1937 69,000,000 (dollars) [U.S. imports from China]⁸⁸

⁸⁴ President Yuan Shih-kai (1912–1916) died in June 1916; in 1923 Moscow's representative in China A. A. Joffe issued a joint statement at Shanghai with Sun Yat-sen, leader of the Kuomintang. This preceded the sending of Soviet Ambassador L. M. Karakhan to Peiping.

⁸⁵ General of the Army George C. Marshall, President Truman's Special Representative with rank of Ambassador in China, December 1945–January 1947.

⁸⁶ Lt. Gen. Albert C. Wedemeyer, President Truman's Special Representative in China, July–September 1947.

⁸⁷ Mr. Stuart, at the time President of Yenching University, was held in Japanese military custody at Peiping from 1941 to 1945.

⁸⁸ Brackets appear in the source text.

Imports he says cannot be done without: Petroleum, steel, machinery, cotton, timber, automobiles, paper, photographic supplies, etc. U.S. \$55,000,000 [Chinese imports from U.S.]^{88a}

1947 Imports: U.S. \$233,000,000

Exports: U.S. \$46,000,000

The result is quite the opposite (of what he says).

The U.S. wants to relieve its crisis and is exporting in great quantity. Its stomach is sick with glut, ours with hunger. It is not at all equivalent to there being no market for our exports—goods not purchased would not exceed \$46,000,000. (US \$69,000,000 is less than the value of a million tons of soy beans.) In expanding its production, China does not fear lack of markets. For example, England and Russia want tung oil. England is the most important buyer of pig's bristles. Other countries all want our vegetable oil, eggs, handicrafts, tungsten ore, etc.

IMPORTS

Such things as tobacco we can plant for ourselves and don't need to seek outside. As for iron and steel, there are the factories at An-shan, Ta-ming, Shih-ching-shan, etc. We also don't depend (on the outside) for paper, cotton, or timber. That leaves petroleum, machinery, automobiles, and photographic materials which must be imported. But in 1937 these four classes (of goods) which were imported from the U.S. amounted to only U.S. [\$]11,000,000.

FOOD

North of the Yangtze (this problem) was solved in two years, so that this area is now more than self-sufficient, with land reform production increasing daily. South of the Yangtze we have not yet investigated the problem.

HEAVY INDUSTRY

When the tide is in flood the boat is high. Agricultural production has increased. Cotton production has improved and increased. Within five years it will be possible to start on the road of construction of heavy industry.

PETROLEUM PRODUCTS

After new lands have been opened up, we will export on a big scale. These exports will be exchanged for machine goods. (In 1937 imports of American machine goods amounted to U.S. \$3,000,000 and were 6% of U.S. exports.)

(Production of) food in the Northeast is 11,000,000 tons (*sic*). This year's plan calls for production [*increase?*] of 1,500,000 tons.

⁸⁸ Brackets appear in the source text.

In future years we will be able to return to the figure of the time of the Japanese (occupation).

(American) exports last year included \$13,000,000,000 of Marshall Plan (aid). The \$353,000,000, including relief goods, which entered China amounted to 2.6%.

We must still *base ourselves on the principle of equal advantage*.

We must reject unplanned economic surplus material.

No special rights, no monopolies, equal advantage, when the tide is in flood the boat is high.

In conclusion, I do not depend upon you, you depend upon me.

If you should seek to come in a private capacity, it is possible that you would be able to meet a person in responsible position.

893.00/7-1149: Telegram

The Consul General at Peiping (Clubb) to the Secretary of State

PEIPING, July 11, 1949—11 a. m.

[Received July 11—6:41 a. m.]

1153. ReEmbtel 1410, June 30. On basis experience to date this office with Commie regime, respectfully offer following comments [on] reported trip Ambassador [to] Peiping:

1. Commies undoubtedly desirous increasing their prestige in every possible manner and would desire if there be any contact between Commie and American side that it be so as to enhance their prestige (Contel 869, May 20⁸⁹).

2. Experience re Chou note (Contel 1080, June 27⁹⁰), however, would indicate Commies presently in fact chary of such contact, this deduction fitting in with what seems to be official Commie position that they will have contacts only if official recognition has come from abroad.

3. In circumstances, therefore, would recommend most earnestly that Ambassador proceed Peiping with plan and appearance to meet with Mao Tse-tung and Chou En-lai only if and when there might be categorical assurance from Commie side that meeting arranged. Invite attention to serious loss to American prestige which would follow upon Mao-Chou refusal see Ambassador if he made trip Peiping with apparent intent meeting with them.

Note this connection was told July 8 . . . it was currently rumored in town Ambassador was proceeding Peiping after trip USA for purpose according recognition Commie regime.

⁸⁹ Not printed.

⁹⁰ *Ante*, p. 398.

Note further, for what it is worth, in this connection Keon⁹¹ reports to Barrett⁹² on basis information given him, Keon, by Chinese Commie girl with whom he intimate, that Commies charge he bungled matter Chou note by failing (1) make clear no specific reply expected and (2) keep Chou En-lai's name out of matter, Chou being undesirous of being brought into it personally. Keon, however, confirmed that (1) Barrett's notes of Keon's report were faithful record of meeting as experienced by Keon and (2) Chou had said without hesitation Barrett would know from whom message came. Commie said moreover, per same source, is now disturbed by what they view "Ambassador's efforts contact Chou through other sources" for presumed purpose endeavoring still deliver American reply. Keon expressed opinion Chou himself is "on the spot" as result denouement.

Believe that experiences Mukden, Peiping, Nanking and now Shanghai are clear proof present hostility Commie leaders toward USA. I have limited self to comment on only one aspect matter in point, but would express firm conviction that it is most undesirable make moves in Commie direction which could be interpreted as signs American weakness.

Repeated Nanking 823, OffEmb Canton 210, Shanghai 777.

CLUBB

123 Clark, Lewis: Telegram

The Ambassador in China (Stuart) to the Secretary of State

NANKING, July 11, 1949—noon.

[Received July 11—2:11 a. m.]

1472* I would appreciate if Department would instruct Lewis Clark to meet me Okinawa for consultation on or about July 18.

Sent Department; repeated OffEmb Canton 617.

STUART

123 Stuart, J. Leighton

Memorandum by the Secretary of State of a Conversation With the President

[WASHINGTON,] July 11, 1949.

RETURN OF AMBASSADOR STUART

The President agrees that Ambassador Stuart should not arrive in this country prior to issuance of the White Paper.⁹³

⁹¹ Michael Keon, Australian newspaperman in China employed by the United Press.

⁹² Col. David D. Barrett, Assistant Military Attaché in China.

⁹³ Department of State, *United States Relations With China* (Washington, Government Printing Office, 1949). For documentation on the publication of the China White Paper, see vol. ix, pp. 1365 ff.

The President also believes that it is important and desirable for the Ambassador to visit Canton before returning. He believes that it would not be understood in the United States for the Ambassador to return after being out of touch for so long with the Government to which he is accredited.

125.633/7-1149 : Telegram

The Ambassador in China (Stuart) to the Secretary of State

NANKING, July 11, 1949—4 p. m.

[Received July 12—1:11 a. m.]

1475. From Peiping's 803, July 7, repeated Department 1136,⁹⁴ Canton 203, Shanghai 765, infer that Ward feels he is making progress closure Mukden Consulate General and I am inclined to believe that there is little my continued presence can contribute to expedite handling Mukden closure, withdrawal. (See Embtel 1442, July 6, repeated Canton 710, Shanghai 802.) Consequently I have set confidential date July 18 for my departure Nanking and would appreciate Department's earliest confirmation its approval. Persons accompanying me will be those listed in Embtel 1468, July 9 to Department, repeated Canton 616, Shanghai 818.⁹⁵

Sent Department; repeated Embassy Canton 620, Shanghai 823, Peiping 260.

STUART

123 Stuart, J. Leighton : Telegram

The Secretary of State to the Ambassador in China (Stuart)

WASHINGTON, July 12, 1949—6 p. m.

819. In accordance urtel 1475 Jul 11, you are authorized depart from Nanking on Jul 18.

ACHESON

123 Stuart, J. Leighton : Telegram

*The Secretary of State to the Ambassador in China (Stuart)*⁹⁶

WASHINGTON, July 12, 1949—6 p. m.

820. As indicated in Deptel 819⁹⁷ you are to depart from Nanking on Jul 18 for Okinawa.

⁹⁴ Not printed.

⁹⁵ *Post*, p. 894.

⁹⁶ Repeated to the Minister-Counselor at Canton as telCan 446.

⁹⁷ *Supra*.

Pres and I desire that upon arrival Okinawa you proceed thence to Canton for brief visit since you have been so long out of touch with govt to which you are accredited. You will leave in Okinawa all passengers including Philip Fugh and you will proceed to Canton alone with Air Attaché and crew. It is understood that B-17 will be available in Hong Kong or Canton on which you can return via Okinawa to U.S. You should depart on B-17 on Jul 23 (Hong Kong time). I wish you to know but I do not wish info communicated to any Chinese and to no one except Jones and Clark that Depts White Paper on China is scheduled be made available to press on Jul 23 Wash time for publication morning of Jul 25 Wash time and therefore it is imperative that you will have taken off for US by time its release to press.

It is equally imperative that effect of issuance of this White Paper be in no way confused or diminished by any other press statement either while you are in Canton or en route to US. Therefore I wish you to instruct all members of your party to refrain from giving any interviews or indulging in any conversations which by any chance could indirectly result in interviews and when questioned by the press you will in accordance with Depts suggestion contained in its 510 to Nanking Apr 22⁹⁸ merely state that you are returning to US to report to Secy of State and that until you have done so you have no statement to make. As you are aware particular care will have to be taken during your overstops in Honolulu and San Francisco.

It is obviously highly desirable that in your visits with officials of ChiGovt in Canton you vouchsafe no info or views but indicate that you have come to Canton to acquaint yourself with views of ChiGovt prior to returning to Wash. Same applies equally to your contact with such of your foreign diplo colleagues as are now residing in Canton.

ACHESON

123 Stuart, J. Leighton : Telegram

The Ambassador in China (Stuart) to the Secretary of State

NANKING, July 13, 1949—4 p. m.

[Received July 13—7:31 a. m.]

1500. Chen Ming-shu called on me July 1 [12?] en route from Peiping to Shanghai (see Embtel 1442, July 6, to Department). In view of my imminent departure from China, I shall report on these conversations after my arrival in Department. I shall bring with me memoranda of conversations.⁹⁹ Suffice it to say that Mr. Chen

⁹⁸ *Ante*, p. 682.

⁹⁹ See memorandum of July 10 by General Chen Ming-shu, p. 771.

was well received in Peiping and returned south enthusiastic about dynamic quality of new leadership (Communist). Despite Chen's enthusiasm, which is not without underlying awareness of Communist menace to his party and to China, his report in general was discouraging to me. There is no hint of any deviation from present political course set, including relations with USA. There is expression of naive hope that despite political relations, economic relations can and will be established between China and the West.

STUART

123 Stuart, J. Leighton : Telegram

The Ambassador in China (Stuart) to the Secretary of State

NANKING, July 13, 1949—6 p. m.

[Received July 13—1:56 p. m.]

1516. I of course will comply with instructions contained in Deptel 820, July 12; repeated telCan 446. In reaching decision that I visit Canton en route Washington I assume you had in mind negative aspects of such visit set forth in Canton's telegram 612, June 19 to Department; repeated Nanking 409, with which I agreed (see mytel 1317, June 18; repeated Canton 547).

I suggest my new itinerary not be given to press either here, Washington or at Canton until after my departure Nanking. While neither I nor any of my party including plane crew have yet received our exit visas, I still hope to leave Nanking 18th and maintain schedule established Deptel under reference.

Sent Department; repeated Canton [for] Clark.

STUART

123 Stuart, J. Leighton : Telegram

*The Secretary of State to the Ambassador in China (Stuart)*¹

WASHINGTON, July 14, 1949—1 p. m.

828. ReDeptel 820 July 12 rptd telCan 446. Presume Emb has given consideration possibility AirAtt² plane being intercepted en route Okinawa by CAF³ planes as well as possibility drawing ground fire from Chi Commie forces China mainland particularly if both sides given no prior info re flight plans. Dept recommends, therefore, Emb take steps through ConGens Shanghai and Taipei⁴ and OffEmb Can-

¹ Repeated to the Minister-Counselor at Canton as telCan 451.

² Air Attaché.

³ Chinese Air Force.

⁴ John M. Cabot, Consul General at Shanghai, and Donald D. Edgar, Consul at Taipei.

ton to acquaint local Commie and Natl Govt auths re details ETD⁵ and route to be fol, requesting at same time safe passage for plane. Dept suggests such info might be transmitted local Commie auths without any indication passenger list or future flight plans plane after arrival Okinawa as being in accordance their instrs AirAtt plane depart China. Natl Govt auths shld be informed re further flight plans after plane reaches Okinawa. Clark, Edgar and Cabot shld be instructed, however, not prior Amb's arrival Okinawa in any way give indication his plans visit Canton as disclosing such info if leaked to Commies might result in inability Amb and party depart Nanking.

ACHESON

123 Stuart, J. Leighton : Telegram

The Ambassador in China (Stuart) to the Secretary of State

NANKING, July 14, 1949—3 p. m.
[Received July 17—11:33 p. m.]

1522. In retrospect I feel that Communist leaders picked up chance suggestion that I might like to spend my birthday again this year at Yenching with extraordinary alacrity and I can only interpret it as earnest desire that I take initiative to travel to Peiping and be available for conversations with some of them. Not only did Huang Hua raise question twice here, but, according to my friends in Peiping, Mao openly stated that I would be welcome in Peiping if I wished to visit my old university. From other sources I have received reports that Mao-Chou⁶ counted on entertaining me and talking to me during this ostensibly private visit to Peiping. Cabot reported on July 8 from Shanghai that "Chinese friend informed me he has word from Peiping that you asked Chou En-lai whether you might visit Yenching and see him and that Chou replied noncommittally".

When I refused to go I feel that they all lost some face but particularly Huang Hua who first took initiative here. My suspicions this respect are confirmed by recent remark of Huang Hua's number two, Ch'en Ying, who, in connection with some difficulties I and my party are having in obtaining our exit permits from China, said to Fugh, "If Stuart had gone Peiping all these little questions would have been easily settled". Fugh feels that since time when I told Huang of my belief that I would not be able to go to Peiping attitude of Communist authorities from top down has changed and hardened, including our personal relations locally. I am inclined to agree there has been change but whether it comes from chagrin over my

⁵ Estimated time of departure.

⁶ Mao Tse-tung and Chou En-lai.

refusal to visit Peiping or general reflection of orthodox line laid down in Mao's July 1 article⁷ I cannot say.

Sent Department; repeated OffEmb Canton 635, Shanghai 854. Department pass Peiping 272.

STUART

123 Stuart, J. Leighton : Telegram

The Ambassador in China (Stuart) to the Secretary of State

NANKING, July 14, 1949—6 p. m.

[Received July 14—3:14 a. m.]

1526. Feel I must advise Department I am running into difficulties obtaining exit permits myself and party and warn that I may not be able to depart on 18th as planned. Exit permit forms were available to us only July 11. They provide for "shop guarantee" (guarantee by local commercial firm that departing foreigner leaves behind no debts, unpaid taxes, civil or criminal charge pending and also guarantor assumes liability for any unlawful act committed by person leaving China during period prior to his actual departure). We have assumed this would not be required of myself and my party all of whom are members of Embassy. Communist authorities however are insisting on this point as well, at least with respect to other members of my party, and we have over past 24 hours made discreet inquiries among local banks and Embassy contractors to ascertain if they would act as guarantors for Cabot, Hinderer, Air Attaché and members of crew, thus far without success. We have now inquired if American firm, such as Socony-Vacuum, CalTex, etc., would be acceptable and have had no reply from Aliens Affairs Office. With respect to myself, Huang Hua said he would waive requirement to extent of not requiring "shop guarantee" but "personal guarantee of some friend". I inferred Huang himself would sign as my guarantor which would in effect be waiving of this requirement.

I have not reported this complication earlier hoping that it would be treated as formality and not develop into major issue. However, as only 3 days remain before my intended departure I am becoming more concerned that we might be unable to find any local guarantors for members of my party and that even in my case requirement will not be waived as I had originally understood. Fugh has been unable to get in touch with Huang Hua for past 2 days to discuss this and other less important matters concerned with my departure. Thus we are unable to get to anyone in authority. I assume Department will agree that I should not comply with Communists' request for guarantor, personal or otherwise, if Huang Hua himself does not undertake

⁷ See telegram No. 1443, July 6, 1 p. m., from the Ambassador, p. 405.

this formality. On other hand Department might consider my departure on schedule and avoidance of further complications with Communist authorities sufficiently desirable to authorize member of my staff remaining Nanking to act as guarantor for us all. I am not at all sure that this would be acceptable.

Unless instructed to contrary and if feasible locally I shall proceed with obtaining of "shop guarantees" for other members my party which I have hopes will result in more lenient attitude toward my own application for exit. I should be very grateful for Department's guidance earliest and shall report developments this regard promptly.

Sent Department; repeated Canton 638, Shanghai 857.

STUART

123 Stuart, J. Leighton : Telegram

The Ambassador in China (Stuart) to the Secretary of State

NANKING, July 15, 1949—2 p. m.

[Received July 15—5:15 a. m.]

1531. Morning radio reports that Generalissimo⁸ has arrived Canton to pay his long-anticipated visit to seat of government (Canton's 728, July 13 to Department⁹). I assume he will remain several days and that my visit to Canton (if I depart Nanking on schedule) will coincide with his (see Deptel 820, July 12 to Nanking, repeated telCan 446). From this end I consider speculation, misinterpretation which would inevitably result most undesirable and to be avoided if at all possible. It will be impossible to convince world public opinion that Generalissimo's and my visits to Canton this time are pure coincidence; Communists will make all possible political capital out of it and undoubtedly consider that in my departure plans I have not been entirely ingenuous; even my colleagues Diplomatic Corps will hardly be convinced that our simultaneous appearances in Canton are not by design. At small luncheon yesterday with my colleagues British Commonwealth they spoke of Generalissimo's recent visit to Philippines,¹⁰ President Rhee's¹¹ invitation to Generalissimo to visit Korea and said that my departure from Communist China at this time would undoubtedly be linked with those events in Communists' mind since their press is already branding Baguio meeting as "American imperialistic plot". My colleagues considered this an unfortunate coincidence. They of course had no intimation of my proposed visit to Canton in addition. I feel I must bring above considerations to your

⁸ Chiang Kai-shek, President of China until January 21, 1949, when he retired in favor of Vice President Li Tsung-jen as Acting President.

⁹ Not printed.

¹⁰ For documentation on this subject, see vol. VII, Part 2, pp. 1115 ff.

¹¹ President Syngman Rhee of Korea.

attention. Any changes in my instructions as result thereof could reach me in Okinawa as late as July 18 which is still only target date as our exit permits have not yet been approved.

Sent Department; repeated OffEmb Canton 641.

STUART

123 Stuart, J. Leighton : Telegram

The Ambassador in China (Stuart) to the Secretary of State

NANKING, July 15, 1949—2 p. m.

[Received July 15—5:45 a. m.]

1532. Embassy has already informed local Communist authorities details flight plans, including maps and E.T.D., of Air Attaché's plane as far as Okinawa and we have every confidence Communist Armed Forces will be appropriately alerted. Air Attaché made successful test flight yesterday.

Air Attaché and I had considered possibility notifying Nationalist Government but had discarded it as unnecessary and even involving some security risk. However, in light recommendations in Deptel 828, July 14, agree appropriate to inform CAF at Canton and Taipei and request assurances safe conduct. We will not, however, delay trip for receipt such assurances.

Following for Clark and Edgar: Please inform appropriate authorities Headquarters CAF your post that I plan depart Nanking 0800 hours July 18 in American aircraft C-47. Course will be set from Nanking 96 degrees to 25 miles at sea for turning point to 137 degrees Naha, Okinawa, altitude 10,000. This course will take plane approximately 50 miles north Shanghai. Since delay obtaining exit permits myself and party now foreseen, possible plane may be delayed one or two days. Consequently appropriate Chinese Armed Forces should be alerted for 19th and 20th as well. We will communicate promptly any change above schedule.

Sent Department; repeated OffEmb Canton 642, Taipei 63.

STUART

123 Stuart, J. Leighton : Telegram

The Secretary of State to the Ambassador in China (Stuart)

WASHINGTON, July 15, 1949—5 p. m.

833. Urtel 1526, Jul 14. Dept greatly disturbed over "shop guarantee" requirements for Amb and other official passengers AirAtt plane and believes dangerous precedent wld be set if "shop guarantees" from either Chi or Amer firms for official dipl or con personnel

were provided Chi Commie auths under any conditions. If this shld prove not local but attempt to impose countrywide procedure, its application to such outlying places as Mukden for example wld be virtually impossible fulfillment. While Dept of opinion any undue delay Amb's departure wld be unfortunate, question of "shop guarantees" believed of sufficient importance warrant postponing departure until requirement such guarantees waived for official US personnel. For ur info, Chi Commie requirement "shop guarantees" believed unique and no similar restrictions applied in [iron] curtain countries Eastern Europe.

Dept also of opinion similar guarantees by Emb or individual Emb officers extremely undesirable and might lead to endless complications resulting from trumped up charges brought against Olive¹² or other members party fol their departure.

Dept has considered possibility giving wide publicity to planned date Amb's departure and list passengers accompanying in attempt to effect permission departure as planned without requiring "shop guarantees", but concerned lest such action might make Commies even more obdurate and leave no room for face saving retreat. Wld appreciate Emb's comments this point.

Emb shld in meantime point out to Commies unprecedented nature their demand (and only reminiscent of tactics Manchu Li Fan-yuan¹³), which completely contrary accepted internatl custom and usage with regard dipl and consular officials, and inform them under instructions US Govt Emb can under no circumstances accede. Emb might also in its discretion give Commies understand any unreasonable delay in departure will be full responsibility Commie auths and wide publicity re reasons for delay not unlikely.

ConGen Peiping instructed make similar representations Chi Commie auths there.

ACHESON

123 Stuart, J. Leighton : Telegram

The Ambassador in China (Stuart) to the Secretary of State

NANKING, July 16, 1949—1 p. m.

[Received July 16—2:23 a. m.]

1537. In compliance Deptel 833, July 15, we informed Director Alien Affairs Office this morning that, under instructions US Government, Embassy could under no circumstances accede to requirement

¹² For documentation on the case of Vice Consul William M. Olive at Shanghai, see pp. 1155 ff.

¹³ The Li-fan Yuan, established in 1638, was a Manchu board in charge of affairs relating to Koreans and Mongols.

of "shop guarantees" for myself and official party. Huang Hua replied that such decision was out of his competence and that he would refer entire matter to Peiping urgently. Suggest Department give no publicity to these difficulties until Peiping authorities have had opportunity to reply this reference.

In light of this development and approaching week end I see no possibility of maintaining original schedule. Consequently I will now plan to depart Nanking morning of July 19 circumstances permitting.

Consul General Cabot, Vice Consul Olive and wife arrived from Shanghai this morning. (Deptel 832, July 14.¹⁴) We will not be assured of latter's exit China until we have submitted applications for exit entire party, presently being delayed by "shop guarantee" requirement.

Sent Department, repeated OffEmb Canton 645, Taipei 64, Department pass Peiping 277.

STUART

123 Stuart, J. Leighton : Telegram

*The Minister-Counselor of Embassy in China (Clark) to the
Secretary of State*

CANTON, July 16, 1949—6 p. m.
[Received July 16—6:37 a. m.]

Cantel 749. Although impossible obtain reliable information regarding duration Generalissimo's visit Canton, best I can get is week-10 days (Nanking's 1531, July 15 to Department, repeated OffEmb 641). Included [*Inclined*] agree impossible convince public visit Ambassador and Generalissimo Canton simultaneously was pure coincidence. Fact remains, however, that henceforth Generalissimo may be expected assume more public control and a motivation Department's instructions Ambassador come Canton may be unaffected by his presence here. Feel we can be sure Communists will take full advantage visit regardless whether Generalissimo present.

Sent Department; repeated Nanking 495.

CLARK

¹⁴ Not printed.

123 Stuart, J. Leighton : Telegram

The Consul at Taipei (Edgar) to the Secretary of State

TAIPEI, July 18, 1949—11 a. m.
[Received July 17—11:04 p. m.]

294. Information on Ambassador flight given personally [to] General Chou Chi-jou¹⁵ who assures me appropriate orders would be issued at once. Please advise if 19th schedule postponed.

Sent Nanking 183; repeated Department 294; Canton 128.

EDGAR

123 Stuart, J. Leighton : Telegram

The Consul General at Peiping (Clubb) to the Secretary of State

PEIPING, July 18, 1949—noon.
[Received July 18—7:49 a. m.]

1189. RefDeptel 453, July 16.¹⁶ Matter taken up in brief yesterday with Joseph Chang¹⁷ with request he ascertain whether Chang Tung-sun, then in town, would be prepared communicate Communist authorities. Gave Chang 8 o'clock this morning memorandum making representations as outlined Deprefel but omitting, however, comments set forth penultimate paragraph. Father will act.

Chang informed me father and Lo Lung-chi¹⁸ when acquainted with matter yesterday gave two possible explanations: (1) Peiping Communist authorities were aware and approved requirement established re Ambassador's travel possibly desiring delay his departure perhaps with idea communicating some message (see later message) or (2) Nanking authorities instructed and proceeding in manner unapproved by higher Communist authorities as I opined when I handed Chang memo was possible explanation.

Chang informed me he would probably be able report by 4 o'clock today whether communicated higher Communist authorities. Am withholding further action pending receipt that information.

Sent Department, repeated Nanking 843.

[CLUBB]

¹⁵ Commanding the Chinese Air Force.

¹⁶ This telegram repeated pertinent excerpts from telegram No. 833, July 15, 5 p.m., to the Ambassador in China, p. 787.

¹⁷ Son of Professor Chang Tung-sun of Yenching University, member of the Democratic League.

¹⁸ A leader of the Democratic League.

123 Stuart, J. Leighton : Telegram

The Ambassador in China (Stuart) to the Secretary of State

NANKING, July 18, 1949—1 p. m.

[Received 7:02 p. m.]

1546. I am daily strengthened in my conviction that visit to Canton at this time is undesirable from every aspect known to me and should be avoided. All reports that I have from Peiping and indications from local Commie authorities confirm that Mao and Chou have lost face, are chagrined at my rejection of their "invitation" to visit Peiping and consider it clear indication of American policy. While I do not deny that this may be salutary, it is certain that visit to Canton and meeting with Generalissimo (which could not be avoided) promptly following my refusal to travel to Peiping would appear to Commies studied insult to which they might be expected to react vigorously. Whatever influence I have with Commie leaders is on purely personal basis. My flying to Canton to see their arch enemy would certainly never be forgiven me and any future usefulness I might have had in Commie China entirely vitiated. Once it is known here that I have gone to Canton rather than directly to Washington difficulties which Americans are now facing in Shanghai, Hankow may be expected to increase and extend to Nanking and cities in north. I do not preclude retaliatory measures against Embassy and other official establishments in Commie China.

My trip to Canton at this time would inevitably add to Generalissimo's triumph and prestige (see Cantel 741, July 15 to Dept.¹⁹) at time when that of acting President Li is definitely on wane. While I concur in Dept's decision that I not travel to Peiping with hat in hand to call on Chairman Mao, by same token I feel it unwise to change my course and pay visit to Chairman Chiang.²⁰ I trust Dept will appreciate my anxiety over issues involved and will want to have benefit these further views before replying Embtel 1531, July 15, repeated Canton 641.

Sent Department 1546, repeated AmEmb Canton for Clark as 647.

STUART

123 Stuart, J. Leighton : Telegram

The Ambassador in China (Stuart) to the Secretary of State

NANKING, July 18, 1949—4 p.m.

[Received July 18—5:16 a. m.]

1547. No reply from Peiping authorities and I am again forced to change my ETD. I will not depart morning of 19th (Embtel 1537,

¹⁹ Not printed; it dealt with a Voice of America press summary.

²⁰ Generalissimo Chiang Kai-shek was leader of the Kuomintang (Nationalist Party).

July 16 to Department, repeated Canton 645, Taipei 64) as planned and will inform you promptly of new ETD as soon as decision reached on our exit permits.

Sent Department; repeated OffEmb Canton 648, Taipei 65.

STUART

123 Stuart, J. Leighton : Telegram

The Secretary of State to the Consul at Shanghai (McConaughy)

WASHINGTON, July 18, 1949—8 p. m.

1428. *NY Times* Shanghai Jul 17 Lieberman ²¹ story reports shop guarantee question delaying departure Amb and party incl Cabot, Olive in Air Attaché plane says "According telephoned report from Nanking this morning Emb officials now trying iron out question 'shop guarantees' whereby merchants undertake responsibility for debts or any other outstanding obligations left unsettled by those leaving Chi. Problem involves getting Chi businessmen endorse departing Amers amid obviously anti-Amer atmosphere and under conditions where responsibilities employers to laborers often have proved sticky and enduring" adds same question involved for businessmen who may elect leave when transportation available from Shanghai. Story then reviews Gould-Miner affair.²²

View fact all details arrangements Ambs departure most carefully handled secret basis Dept fails understand why this info allowed reach press especially since resolution problem thereby made more difficult. For urinfo Dept had considered publicity but withheld awaiting Ambs comments whether publicity increase rather than diminish his problem.

Queried on basis Lieberman story Dept spokesman today attempted minimize as "local problem" with details which we unfamiliar. Spokesman recalled Amb for some time been authorized leave said "This is evidently something that has come up in his making arrangements for departure".

ACHESON

123 Stuart, J. Leighton

Memorandum by the Director of the Office of Far Eastern Affairs (Butterworth) to the Secretary of State

[WASHINGTON,] July 18, 1949.

There are attached copies of two priority telegrams from Ambassador Stuart in Nanking (No. 1531 of July 15, Tab A, and No. 1546

²¹ Henry Lieberman, *New York Times* correspondent at Shanghai.

²² For documentation on details concerning Americans involved at Shanghai, see pp. 1155 ff.

of July 18, Tab B)²³ which I believe you may want to show to the President as a matter of urgency in which he sets forth anew his recommendation that he be not instructed to visit Canton en route to the United States.

There is another aspect to this question—one which has not been mentioned by Ambassador Stuart and which he may not have consciously had in mind—which should be given consideration. That is the personal question of Ambassador Stuart's future. Having been born in China and having spent over fifty years in that country, he will naturally want to return in a private capacity at some future date. It is seriously doubted, however, whether he would ever be permitted to return to a China dominated by the Communists if, having refused their invitation to visit Peiping, he were now to proceed to Canton.

893.00/7-1849

*Memorandum by the Secretary of State of a Conversation With
the President*

[WASHINGTON,] July 18, 1949.

AMBASSADOR STUART'S RETURN

I reported to the President on the difficulties which were being put in the way of the Ambassador's obtaining an exit program [*permit?*] by the Communists and also the problem which might arise if he should obtain an exit permit in the next day or two. This problem is that if he proceeds immediately to Canton, the Generalissimo will be there, and if he delays too long the White Paper will be out.

We left it that as soon as we heard as to when the Ambassador would return I should consult the President again.

D[EAN] A[CHESON]

123 Stuart, J. Leighton : Telegram

*The Minister-Counselor of Embassy in China (Clark) to the
Secretary of State*

CANTON, July 19, 1949—3 p. m.

[Received July 19—6:04 a. m.]

Cantel 779. Am unaware all reasons motivating Department's desire Dr. Stuart visit Canton. On other hand, I have deep sympathy for him in his predicament (Nanking 1546, July 18 to Department, repeated Canton 647). He has given his life to Yenching and he

²³ *Ante*, pp. 786 and 791, respectively.

envisages the loss of any personal influence he might later bring to bear with Communists in protection Yenching and I have been sufficiently closely associated with him past 2 years to be aware his mental torture. As loyal servant of public he appears willing come Canton if necessary in interests of US despite fact that to do so will be negation of everything for which he has stood through his long life in China.

If US domestic requirements will be satisfied thereby, I am most willing proceed Okinawa and meet Dr. Stuart there. I have seen everyone in authority in Canton recently and it might well be said that in order avoid overwearying Ambassador who is no longer young, I had been directed meet him Okinawa give him views Chinese Government.

CLARK

123 Stuart, J. Leighton : Telegram

*The Secretary of State to the Ambassador in China (Stuart)*²⁴

WASHINGTON, July 20, 1949—1 p. m.

852. In accordance with recommendations made urtels 1531 Jul 15 and 1546 Jul 18, you may disregard that part of Deptel 820 Jul 12 which had to do with your proceeding to Canton and you may remain in Okinawa and consult with Clark there regarding the latest developments with respect to Natl Govt and thence proceed to US. Pls arrange with Clark to meet you and caution him not to make his plans prematurely known. Pls also inform Dept as soon as you can date of your actual arrival in Okinawa so that Dept may give full publicity to fact that Clark is meeting you there to apprise you of developments within Natl Govt China. You will be informed if due to technical considerations there is any change in the publication date of White Paper.

ACHESON

123 Stuart, J. Leighton : Telegram

The Consul General at Peiping (Clubb) to the Secretary of State

PEIPING, July 21, 1949—9 a. m.

[Received July 21—5:42 a. m.]

1204. [To Nanking:] July 20, 2 p.m. ReContel 843, July 18.²⁵ Joseph Chang informed me by phone last night message delivered July 18; action unknown.

²⁴ Repeated to the Minister-Counselor at Canton as telCan No. 470. Notation by the Director of the Executive Secretariat (Humelsine): "Cleared with President by phone."

²⁵ Same as telegram No. 1189 from Peiping, p. 790.

Sent Nanking 853; repeated Department, Shanghai 813.

CLUBB

123 Stuart, J. Leighton : Telegram

The Ambassador in China (Stuart) to the Secretary of State

NANKING, July 21, 1949—9 p. m.

[Received July 21—1:09 p. m.]

1571. I regret publicity US "shop guarantee" question and agree that premature release our difficulties exit permits may make solution more difficult (Deptel 1428 to Shanghai July 18, repeated Nanking 843, Canton 463, Taipei 187 and Embtel 1537, July 16 to Department, repeated Canton 645, Taipei 64). When *New York Times*' string man Nanking called Embassy July 20, he already had full story my difficulties "shop guarantees". We were noncommittal. Explained for his background information that it was unwise to give any publicity to present negotiations for my departure which might have adverse effect upon Communist authorities. All we could say for his use was that my plans to depart were proceeding and that there was no ETD as yet. I can only assume local *New York Times*' correspondent obtained his information from other Embassy. Last week I had several small informal conferences with my diplomatic colleagues to say farewell. Because of their obvious interest in details of my departure, I felt it only fair to advise them of Communists' requirements and of progress on my negotiations to reach satisfactory conclusion. I assume that this confidence was not respected in all instances.

We are waiting from day to day for call from Aliens Affairs Office regarding our exit permits. Apparently no new instructions have been received from Peiping (see Peiping's telegram 853, July 20 to Nanking, repeated Department 1204,²⁶ Shanghai 813). I feel we should not display too much impatience as evidence to Communists of our weakening over question of "shop guarantees", other immunities connected with my departure. Obviously however delay cannot be permitted to drag on indefinitely and Department may wish prepare statement for release to press when we here feel that no advantage to further waiting or if negative instructions from Peiping received. I would suggest that any release state obvious; that despite absence diplomatic relations, one right which we all possess, and which should be beyond question, is our right to leave in same manner that we entered China.

Before making release Department may wish to inform Embassies other foreign governments having representation Nanking with suggestion those governments may themselves wish to take official

²⁶ July 21, 9 a. m., *supra*.

cognizance this denial most fundamental right of exit to foreign representative sovereign state.

Repeated Canton 660, Shanghai 881, Taipei 67.

STUART

123 Stuart, J. Leighton : Telegram

The Secretary of State to the Ambassador in China (Stuart)

WASHINGTON, July 22, 1949—6 p. m.

871. Urtel 1571 July 21. Since any statement made by Dept re "shop guarantee" and ur departure wld be designed for Chi consumption rather than world or US, Dept desires you prepare and forward soonest draft statement for release by Dept when you feel time propitious or when negative reply recd from Commies. Statement shld be designed facilitate ur own departure as well as future movements US cit[izen]s desiring leave or travel within China.

ACHESON

123 Stuart, J. Leighton : Telegram

The Minister-Counselor of Embassy in China (Clark) to the Secretary of State

CANTON, July 22, 1949—9 p. m.

[Received 10:30 p. m.]

Cantel 801. Urge desirability advance information Canton for release here at proper time by Connors²⁷ of publicity contemplated Deptel 825, July 20 to Nanking, repeated Canton telCan 470. Advance knowledge details Department's plans and *en clair* message re release would be most valuable.

CLARK

124.931/7-2349 : Telegram

The Ambassador in China (Stuart) to the Secretary of State

NANKING, July 23, 1949—1 p. m.

[Received July 23—6:42 a. m.]

1590. Afternoon of fire (see Embtel 1585, July 22 to Department, repeated Canton 664, Shanghai 887²⁸) in Service Attaché's compound (adjoining mine) Huang Hua telephoned to inquire of my safety and to assure me that he had ordered all fire fighting equipment Nanking to scene to prevent fire spreading my compound. At same time

²⁷ W. Bradley Connors, Attaché in China.

²⁸ Not printed; the Embassy repeated a Nanking newspaper story of a fire on the Embassy premises (124.931/7-2249).

he referred my departure and gave us to understand that Bureau Public Safety had been unduly zealous; that some of its requirements had been included on exit permit form without knowledge Aliens Affairs Bureau. He suggested we call Public Safety Bureau next day and that he would have ground prepared for our reception and early solution our problems. Yesterday morning Air Attaché and Embassy Officer called Public Safety Bureau and received following assurances:

- (1) Official and personal mail would not be subjected to inspection.
- (2) My baggage exempted from inspection but this not applicable to other members of party (we do not object to this procedure).
- (3) Exit permit Ambassador not required bear "shop guarantee".

However all other exit permits were returned to Embassy Officer with statement that "shop guarantees" were required of them and that their forms were therefore not complete.

Fugh attempted all afternoon yesterday to communicate with Huang Hua without success. We wish to ascertain if Public Safety Bureau had not understood Huang's instructions or if, as is probably case, only I am to be exempted from "shop guarantee" requirement. We will inform Department promptly when position Director Alien Affairs Office is clarified. However, since appears Communist authorities remaining adamant on "shop guarantee" requirement for members my party (all entitled to diplomatic immunity), I would be grateful for Department's guidance on course of action to follow. (Deptel 833, July 15).

Sent Department, repeated Canton 666, Shanghai 890.

STUART

124.936/7-2349: Telegram

The Ambassador in China (Stuart) to the Secretary of State

NANKING, July 23, 1949.

[Received July 23—5:33 p. m.]

1595. Following is text note received today by Director Nanking USIS²⁹ from MCC.³⁰

"As the United States Information Service is a part of the United States Department of State organization, and since the People's Government has no diplomatic or consular relations with the United States, the United States Information Service must cease its activities as from today. Such activities include the printing and distribution of news bulletins, the exhibition and presentation of books and papers, exhibition of illustrated posters, movie showings, holding of musical

²⁹ Josiah W. Bennett, Assistant Attaché, Director of United States Information Service.

³⁰ Military Control Commission.

concerts and all other public activities. It is hoped that you will comply without fail."³¹

Sent Department 1595, OffEmb Canton 668, ConGen Shanghai 893, Hankow 56, Peiping 290, Tientsin 62, ConGen Canton 40.

STUART

124.936/7-2349 : Telegram

The Ambassador in China (Stuart) to the Secretary of State

NANKING, July 23, 1949—9 p. m.

[Received July 24—4:03 a. m.]

1596. Rumor circulating local Communists received instructions close all foreign transmitters Nanking. While we doubt reliability sources, such step would be logical successor closing USIS Communist China and we feel probability after Ambassador departs China. Suggest therefore Department may wish consider policy toward FS establishments in China should their present community's [communication] facilities all be denied them. We are unable to extend protection to Americans. We are hardly able to protect ourselves. Our only remaining function is that of reporting and should that be denied us there would appear to be no reason for our continued existence. We submit for Department's consideration desirability in event of closure our transmitters, of prompt announcement of Department's intention to withdraw its diplomatic and consular establishments (with possible exception Peiping) in Communist China because of denial of last facility for performing normal functions. In any event it would seem necessary precaution to undertake immediate consideration of understood plan between Department and various establishments involved in order that they may work conjointly once confidential communications are severed.

Sent Department, repeated OffEmb Canton 670, Shanghai 895.

STUART

124.931/7-2349 : Airgram

The Ambassador in China (Stuart) to the Secretary of State

NANKING, July 23, 1949.

[Received August 10—5:10 p. m.]

A-89. Reference Department's telegram 634, May 24, to Nanking. Several weeks ago Huang Hua telephoned Philip Fugh and asked latter to call on him urgently. When Fugh arrived, he found General

³¹ The Ambassador in China stated in his telegram No. 1589, July 23, not printed: "USIS Nanking today discontinued public activities as result notification from Nanking Alien Affairs Bureau." (124.936/7-2349)

Liu Po-cheng, Director Nanking Military Control Council and Mayor. Fugh, who had never met General Liu before, had impression their meeting in Huang's office was not pure coincidence. After exchange of the usual amenities, General Liu said he understood Dr. Stuart's privacy had been violated by Communist soldiers in early days of Nanking "liberation". When Fugh confirmed this, General Liu continued that he had been most sorry to hear of this unfortunate incident, that he had regretted it exceedingly, and that the officer and soldiers responsible had been returned to Peiping for further indoctrination. (We understand that "to be returned North for further indoctrination" is roughly equivalent to our military being returned to base for corrective instruction and, as such, a form of degradation.) The remainder of the conversation was of general and insignificant import, and we suspect that General Liu created this occasion to express in an indirect way his regret for the incident involving the violation of the Ambassador's premises.

STUART

123 Stuart, J. Leighton : Telegram

The Ambassador in China (Stuart) to the Secretary of State

NANKING, July 24, 1949—2 p. m.

[Received July 24—3:51 a. m.]

1603. Fugh saw Huang Hua this morning preparatory to a conference with me Monday afternoon 4 o'clock (4 a. m., Washington time) to discuss my departure, principally question of "shop guarantees". After Fugh had restated US position (see Deptel 833, July 15), Huang replied that Communists feel that they had already made great and special concessions my case in permitting me to leave with confidential mail, immunity from baggage search and waiver of any guarantee; that to deviate further from a procedure which they have established for exit of foreigners during transitional period of non-recognition would establish precedent for other foreign diplomats for which they are unprepared. He begged Fugh to impress upon me their own dilemma and to express the hope that we would help them in finding satisfactory solution. Huang Hua feels that he has made every possible concession to facilitate my departure and I am inclined to believe that within the framework of his own limitations this is true. The principal point at issue was requirement of "shop guarantee" for other members of my party which he insists is only a formality and should not be magnified by US into a major controversy. (See Embtel 1590 July 23).

Certainly our case before the Chinese people and in world public opinion is considerably weakened in light of concessions already

made for Chief of Mission. The local authorities have already agreed that "an American" can sign as guarantor. We now find that American Foreign Service and army officers leaving Peiping in March and April complied with requirement of "shop guarantee" in order to exit Communist China under Department's instructions (i.e., for man transferred to Shanghai, Major Moyer³² transferred to Nanking), also that members of ConGen staff Shanghai going on leave under orders have already obtained "shop guarantees" pursuant to local requirements which are similar to those in Nanking. The only Chief of Mission leaving Nanking with permission to exit China (Afghanistan Minister) complied with "shop guarantee" requirement to extent of having his Chargé sign guarantee.

We recognize force of the Department's arguments in its telegram 833 and the dangers which compliance with these requirements might hold for other American officials. On the other hand it should be considered that a rigid adherence to our stand may in itself act as a barrier to the exit of any US official personnel for an indefinite period through their inability to comply with exit requirements. As of [*for*] Mukden, Ward reports that members his staff are planning depart for Peiping next week and has reported no trouble over their exit permits. Among my colleagues I find that their principal concern has been over treatment Chief of Mission and I am inclined to believe that they would not consider it unreasonable if members of their staff obtained a guarantee. Thus we may well find that regardless of our position many others will comply with the guarantee requirements for members of their staffs. The mere fact of my exit without a guarantor would be a welcome precedent for my colleagues. Department should therefore consider possibility that at a later date it may be compelled by general procedure to reverse its position and accede to Communist demands in order to enable members Foreign Service to depart and that it may face a morale problem of critical proportions among its personnel in China, once transportation is available.

In light of the above and desirability of my departure in compliance Department's instructions at earliest possible date I recommend I be authorized to tell Huang when I see him tomorrow afternoon that as a special concession my Government has agreed that the Embassy Nanking will act as guarantor for the other members of my party. This in effect is what the Embassy would normally do in an informal manner for any members of its staff who inadvertently might have left debts or other unsettled obligations and would seem the most appropriate exit from the present impasse. If Huang agrees this arrangement and we thus reach solution on basis of mutual concessions, I feel that it will have a beneficial effect not only upon the

³² Maj. Maynard G. Moyer, on duty in China for the Department of the Army.

Embassy's relations with him in future but also on position of Americans generally in this area. Department will appreciate need for most urgent reply if I am to discuss matter with Huang Hua Monday afternoon on any new basis.

STUART

123 Stuart, J. Leighton : Telegram

The Secretary of State to the Ambassador in China (Stuart)

WASHINGTON, July 24, 1949—noon.

876. Dept studying subject urtel 1603 July 24, which requires most careful consideration. As it doubtful you will receive further instructions in time your Monday meeting Huang Hua you may wish so inform him.

ACHESON

123 Stuart, J. Leighton : Telegram

The Ambassador in China (Stuart) to the Secretary of State

NANKING, July 26, 1949—5 p. m.
[Received July 26—12:38 p. m.]

1625. I talked one and half hours July 25 with Huang Hua. Our personal relations were cordial as usual, but I came away with feeling of discomfiture. His Communist mind is impermeable to argument and even to facts.

I began with "shop guarantee" issue, expressing appreciation of special treatment accorded me and explaining at length views of my Government. He described reasons for this provisional arrangement and admitted that Communists had not thought of peculiar problems affecting diplomatic personnel. He implied that he might give matter further consideration (see Deptel 876, July 24 to Nanking). I said that before my departure it would be helpful to know whether CCP³³ wished our consulates closed and nationals withdrawn, stating that incessant denunciation of our "imperialism" and experiences of individuals especially in Shanghai had led many Americans to ask this question. He quoted Mao's June 15 speech as evidence that Americans and others who stay in China on Mao's terms would be welcome.

He reviewed again CCP grievances against USA, chiefly for aiding and continuing recognize Chiang Government. I countered by enlarging as previously on American desire for peace and fear of aggression and war springing from CCP-avowed advocacy of world revolution. There was nothing new in any of this and I doubt if

³³ Chinese Communist Party.

either one changed other's opinions. When he charged USA as being behind Chiang-Quirino ³⁴-S. Rhee alliance,³⁵ I referred to explicit denials of State Department. He retorted that anyhow they were all our protégés. I pointed out in what sense this was true of each one, and asked what hope there was of better relations when CCP surmises were treated as facts.

As to future he said that best American policy would be to keep hands off China, that any merchant, peasant, student would agree to this. He said China could face her industrial and other problems unaided. He was also quite unrealistic in describing gains thus far in support of the People's Government by rural farmers, urban workers, small-scale capitalists and intellectuals.

Sent Department 1625, repeated Shanghai 909, Canton 680.

STUART

393.1115/7-2649 : Telegram

The Ambassador in China (Stuart) to the Secretary of State

NANKING, July 26, 1949—8 p. m.

[Received July 26—1:42 p. m.]

1628. In effort to seek concerted action on protests to Communist authorities over lack of protection, miscarriage of justice in cases involving Americans, Embassy requests Department's opinion of following proposed circular telegram to all posts in Communist China:

"In all cases involving Americans in your district where clear evidence exists lack protection afforded by Communist authorities, you are instructed (1) attempt protest through most effective or feasible channels to local authorities citing circumstances, (2) provide Consulate General Peiping with details in order it may attempt lodge similar protest with headquarters Communist authorities, (3) provide same information to Nanking which will attempt protest as [an] Embassy, (4) repeat information to Department."

STUART

123 Stuart, J. Leighton : Telegram

The Ambassador in China (Stuart) to the Secretary of State

NANKING, July 27, 1949—11 a. m.

[Received July 27—12:03 a. m.]

1629. Unless Embassy has reply to its telegram 1603, July 24, within 24 hours, is doubtful that it will be possible to complete all arrange-

³⁴ President Elpidio Quirino of the Philippines.

³⁵ For documentation on a proposed Pacific pact, see vol. VII, Part 2, pp. 1115 ff.

ments for departure of Ambassador and party prior to deadline established in Deptel 875, July 23, repeated Canton telCan 490.³⁶

Sent Department; repeated OffEmb Canton 682.

STUART

893.00B/7-2749 : Telegram

The Secretary of State to the Consul General at Peiping (Clubb)

WASHINGTON, July 27, 1949—3 p. m.

490. Dept considering instructing Amb to present *aide mémoire* to Huang Hua on eve of departure reciting intolerable actions and inquiring whether these perpetrated with view to making untenable position Amer reps in China and stating if so notification hereby given we are prepared close Emb and progressively Consulates as interests in area permit.

Dept wishes receive urgently your reaction and main outlines of character of note you wld advocate having not only current situation in mind but also that which will come to pass when Chi Commie auths organize themselves as govt, invite recognition and it is not readily forthcoming from US.

Wld not Dept be well advised seek opportunity to close Emb Nanking fol Ambs departure in view of likelihood Peiping being new capital and attempt make advantage out of eventual necessity?

ACHESON

123 Stuart, J. Leighton : Telegram

*The Secretary of State to the Ambassador in China (Stuart)*³⁷

WASHINGTON, July 27, 1949—7 p. m.

890. Urtel 1603 Jul 24 brings out facts re previous compliance by Amer and fon official personnel with "shop guarantee" demands which Dept previously unaware. Dept remains concerned at implications any official compliance these demands. It knows no auth of law or availability appropriated funds whereby Emb in behalf US Govt may be permitted assume responsibility possible personal obligations, if any, of its personnel. Nevertheless, it wld appear we are being subj[ected] to duress requiring *ad hoc* measures to meet a situation involving possible safety, well-being Amer personnel. To meet this extremity, Dept authorizes fol procedure: Emb sign as guarantor. In event financial loss resulting procedures, Dept will consider use funds

³⁶ Not printed; the deadline was August 1.

³⁷ Notation by the Secretary of State: "Approved by the President. D. A."

for emergencies arising dipl and consular service for purpose relieving any expenditure involved in obligations. Where personal liability established for individuals concerned Govt wld reserve right of recovery from them expenditures made their account.

If FonServ personnel remaining at post required sign on personal, unofficial basis (in keeping with Commie insistence they do not recognize FonServ Officers' official status and capacity act), this action wld be considered by US Govt official act of US Govt employees.

In complying this procedure Emb shld emphasize to local auths that this treatment of US Govt reps is considered contrary to internatl custom and usage and does not constitute a waiver of any rights under such internatl usage.

It shld be stressed that status of dipl personnel in internatl law is clear. Internatl practice contemplates that such personnel are exempt from the jurisdiction of the country in which stationed, not being amenable to civil or criminal process. They partake of a sovereign character and any interference with the freedom of their movement or the discharge of responsibility in the manner demanded is considered repugnant to internatl custom and usage.

ACHESON

123 Stuart, J. Leighton : Telegram

The Ambassador in China (Stuart) to the Secretary of State

NANKING, July 29, 1949—5 p. m.

[Received July 29—5:26 a. m.]

1644. Please inform appropriate authorities CAF that I intend depart Nanking for Okinawa in Embassy plane Monday August 1, 8 a.m. (see Embtel 1532, July 15 to Department, repeated Canton 642, Taipei 63). Information contained in reftel still holds.

Sent OffEmb Canton 692, Taipei 70, repeated Department.

STUART

123 Stuart, J. Leighton : Telegram

The Ambassador in China (Stuart) to the Secretary of State

NANKING, July 29, 1949—5 p. m.

[Received July 29—6:28 a. m.]

1645. I informed Huang Hua yesterday of Department's concession in permitting Embassy to sign as guarantor of members my party (Deptel 890, July 27). He said he would have to refer matter to Peiping. Today we are informed that local public safety bureau will accept Embassy as guarantor. Consequently applications for exit

permits are being submitted to public safety this afternoon with Embassy's "chop" and signature of Embassy certifying officer (Bacon). Statement of US Government's position in acceding to this requirement (Deptel under reference) will be made to Huang Hua tomorrow when I expect to have final interview with him.

I have tentatively set date my departure Monday, August 1, 8 a. m., arriving Okinawa 12:30 same day. While Huang expressed some doubt that this "early date" would give him time to make necessary preparations, he agreed to try. It may be necessary for me to postpone departure one day. I shall keep Department regularly informed.

Sent Department; repeated OffEmb Canton 693, Shanghai 916, Taipei 71.

STUART

893.00/7-2949 : Telegram

The Consul General at Peiping (Clubb) to the Secretary of State

PEIPING, July 29, 1949—5 p. m.

[Received July 29—2:59 p. m.]

1263. ReDeptel 490, July 27. International political situation worse for Communists generally due failure re Berlin,³⁸ re Atlantic Pact.³⁹ Overall political situation therefore worse for Chinese Communists who could have been right in following virulent anti-American line past 3 years only if war near when they thought, to win if USSR won but not lose if USSR lost. USSR has used them as pawns and may still advise Soviet war imminent (see Contel Nanking [garbled group]) but Communists may now suspect international political game going badly. I believe this probable. Note Lo Lung-chi's leading questions (see Contel 1195, July 19 [20])⁴⁰.

Economically Communists were wrong from beginning in attempting too much. Economic situation steadily deteriorating, grave shortages both food and industrial materials can be expected develop before 1950 harvest with resultant famine industrial breakdown. Economic failure would weaken Communist political authority, reduce China's usefulness to USSR.

In present circumstances Communists could logically be expected withdraw somewhat from extreme anti-foreign position originally taken. Such retreat quite fitting in Communists' own logic, hampered only by natural reluctance admit errors even implicitly, innate Chi-

³⁸ This reference is to the Berlin airlift operation when the western sector was closed off from western Germany.

³⁹ North Atlantic Treaty signed at Washington, April 4, 1949; Department of State Treaties and Other International Acts Series No. 1964, or 63 Stat. (pt. 2) 2241.

⁴⁰ *Ante*, p. 443.

nese xenophobia, stupidity in lower party command, these Communists who sought cheap victories in international field now face necessity trying repair damage done good relations. They probably now appreciate significance of their plans of absence Sino-Japanese trade, closure Mukden Consulate, of Embassy's warning to Americans, reduction missionary funds. Finally Lo Lung-chi's attempt make it appear Mao Tse-tung is powerful and would lash back if baited, Communist line unpopular with many intellectuals and with increasing economic distress shows signs becoming more unpopular with masses.

Note inconclusive but possibly significant sign Communist change tactics. Since July 7 there has been notable lightening of anti-USA press attacks. Recently even such items US printed have in greater proportion than before been reprints from Soviet press. Also about July 21, there was perceptible change in attitude Bureau Public Safety in direction greater ease, more courtesy, less argument connected with application consular officials for registration with regard questioning, acceptance, notations reference to consular occupation titles, presumably by directive. Soviet regrets expressed French and Belgians regarding social non-attendance (Contel 1237, July 25⁴¹) of possible parallel significance.

In view all circumstances would myself recommend following approach: Assuredly take advantage Ambassador's departure make *démarche* vis-à-vis Communists but refrain from playing all cards at once or giving hand away in advance, undertaking now only limited objective as major Communist shift hardly to be achieved one blow however heavy and better got through series lighter but wearing blows. Would draft *aide-mémoire* on following lines: Note outstanding cases violation rights person, residence, trade, missionary effort, travel of American officials and citizens as established by treaty and international law and practice, but omitting question whether Communists aim make diplomatic position untenable; omit also threatened closure Consulates but inform Communists that in existing circumstances Ambassador will not return at this time and US Government will mould its future policies regarding its representatives, nationals and interests in Communist China according to actual developments under Communist administration; give essence first two paragraphs message projected Deptel 367, June 14,⁴² stiffening it somewhat and particularly in second paragraph changing "hope" to "had expected" (recommend for psychological reasons Ambassador give no indication *aide-mémoire* incorporates any part of message intended for Chou En-lai) and referring to significance USIS work for development understanding between two nations; and conclude

⁴¹ Not printed.

⁴² *Ante*, p. 384.

with short statement to effect USA will judge Communist *bona fides* by actions not words and be guided accordingly.

After departure Ambassador and after having given message time sink in, Department could then, insofar as administratively and politically desirable, undertake progressive reduction Nanking establishment to point consonant with current demands on it, using at least some personnel to strengthen other China posts if Communist policies permit their profitable functioning.

Believe this approach gives full flexibility to USA for actions designed to meet developments in fluid situation, including making ready for time when Communists have organized central government and put selves in position "accept" recognition, and at same time keeps Communists in dark as to American intentions. As indicated . Contel 296 [769?], May 12,⁴³ this desirable.

CLUBB

123 Stuart, J. Leighton : Telegram

The Secretary of State to the Minister-Counselor of Embassy in China (Clark), at Canton

WASHINGTON, July 29, 1949—6 p. m.

TelCan 513. Re ur 801 Jul 22. Dept plans press release merely stating as follows:

"Amb Stuart departed by air on (date) en route to Washington for consultation. During a brief stop-over in Okinawa, the Amb will meet Min Counselor Lewis Clark who is proceeding from Canton for the purpose of apprising him of recent developments within areas held by Chi Govt. Fol these discussions, the Amb will continue to the US and Min Counselor Clark will return to his post at Canton."

Dept will inform you when statement released to press.

ACHESON

123 Stuart, J. Leighton : Telegram

The Consul General at Taipei (Macdonald) to the Secretary of State

TAIPEI, July 30, 1949—9 a. m.

[Received 10:31 a. m.]

335. Information urtel 70, July 29⁴⁴ given personally General Chou Chi-jou who is issuing orders.

Sent Nanking 190, repeated Department 335, Canton 146.

MACDONALD

⁴³ Not printed.

⁴⁴ Same as telegram No. 1644 from Nanking, p. 804.

123 Stuart, J. Leighton : Telegram

The Ambassador in China (Stuart) to the Secretary of State

NANKING, July 30, 1949—5 p. m.

[Received July 30—6:16 a. m.]

1662. As soon as exit permits members my party granted and my ETD firm, I intend to release to local American and foreign correspondents following press statement:

"The American Ambassador to China, The Honorable J. Leighton Stuart, is proceeding to the US for consultation in compliance with instructions received from his Government the latter part of April. Ambassador Stuart plans to leave Nanking in the Embassy's aircraft on August blank. He intends to proceed directly to the US except for normal stopovers and a change of plane en route as required for trans-Pacific travel. It is anticipated that he will arrive in Washington about August blank.

"The pilot and co-pilot of the plane are Air Attaché Colonel John A. Dunning and Assistant Air Attaché Major Robert Van Ausdall. Crew members are Sergeants Edward Memczar and Charles Fillingame, members of the Air Attaché's staff. In addition to the pilots and crew, the Ambassador's party will consist of: Mr. John M. Cabot, Counselor of Embassy and Consul General in Shanghai; Mr. Harry A. Hinderer, Embassy Administrative Officer; Vice Consul and Mrs. William M. Olive; Mr. Philip Fugh, the Ambassador's private Chinese secretary."

If I do not hear from Department to contrary, I will assume it concurs.

Sent Department, repeated Shanghai 921, OffEmb Canton 696 for Connors.

STUART

123 Stuart, J. Leighton : Telegram

The Ambassador in China (Stuart) to the Secretary of State

NANKING, July 30, 1949—10 p. m.

[Received July 30—11:33 a. m.]

1663. Exit permits being issued today and local Communist authorities have tentatively fixed Tuesday morning August 2 as date for my departure Nanking (see Embtel 1645 of July 29). Consequently that will by [be] my ETD unless I advise to the contrary. Time of take-off 8 a. m.

Taipei and Canton please inform appropriate authorities CAF change my ETD.

Sent Department 1663, repeated EmbOff Canton 697, Shanghai 922, Taipei 73.

STUART

123 Stuart, J. Leighton : Telegram

The Ambassador in China (Stuart) to the Secretary of State

NANKING, July 30, 1949—10 p. m.

[Received July 30—11:20 a. m.]

1664. With reference Deptel 875, July 23,⁴⁵ I am making every effort to depart not later than morning August 2. (See Embtel 1663, July 30.) Communist authorities declare they require time properly to alert their armed forces along aircraft's course and that August 2 is only tentative ETD. They said I will not be delayed longer than August 3 in any event.

STUART

123 Stuart, J. Leighton : Telegram

The Ambassador in China (Stuart) to the Secretary of State

NANKING, August 1, 1949—3 p. m.

[Received August 1—12:47 p. m.]

1671. Philip Fugh July 20 handed Huang Hua written memorandum stating US Government position with regard to shop guarantee procedure as stated Deptel 890, July 27. Huang read memorandum but returned it on usual ground no diplomatic relations between US and People's Government.

STUART

123 Stuart, J. Leighton : Telegram

The Ambassador in China (Stuart) to the Secretary of State

NANKING, August 2, 1949.

[Received August 2—3:20 a. m.]

1679. Relinquished charge and departed Nanking August 2, 1949 via Air Attaché plane due Okinawa same day.

Sent Department 1679; repeated all China posts circular.

STUART

123 Jones, J. Wesley : Telegram

The Counselor of Embassy in China (Jones) to the Secretary of State

NANKING, August 2, 1949.

[Received August 2—1:24 a. m.]

1680. I have assumed charge of the office of the American Embassy at Nanking as of today, August 2, 1949.

Sent Department, repeated circular to all China posts.

JONES

⁴⁵ Not printed.

123 [Stuart, J. Leighton] : Telegram

The Secretary of State to the Chargé in China (Clark), at Canton

WASHINGTON, August 2, 1949—2 p. m.

TelCan 525. Dept this morning released to press statement previously transmitted you re departure Ambassador.⁴⁶

ACHESON

123 Stuart, J. Leighton : Telegram

The Counselor of Embassy in China (Jones) to the Secretary of State

NANKING, August 2, 1949—6 p. m.

[Received August 2—4:41 p. m.]

1693. When exit permits in form described Embtel 1645, July 29 were presented Public Safety Bureau, they refused accept Embassy as guarantor on ground Embassy no longer existed in official capacity because no diplomatic relations. Public Safety Bureau then was requested telephone Huang Hua which they did and reported Huang confirmed Embassy guarantee not acceptable. Embassy shop [chop?] therefore cancelled, leaving only certifying officer Bacon's personal signature, authorized Deptel 890, July 27.

From other cases of which Embassy has knowledge it appears Communists will accept either shop guarantee or personal guarantee by an individual. They will not, however, accept the guarantee of diplomatic or consular establishment.

We are at loss to understand Huang Hua's apparent sudden reversal of position and are inclined to attribute it either to possible mutual misunderstanding or conflict of views between Aliens Affairs Office and Public Safety Bureau, with latter winning out.

Sent Department 1693, repeated Canton 708, Shanghai 935.

JONES

393.1115/7-2649 : Telegram

The Secretary of State to the Counselor of Embassy in China (Jones)

WASHINGTON, August 3, 1949—5 p. m.

913. Dept concurs that Emb, ConGen Peiping, and Dept shld be informed immed when cases subject of urtel 1628 Jul 26 arise. However, is possible some cases may be settled satisfactorily and without undue delay locally and circumstances be such that protests on higher level might serve only irritate local Commie auths concerned. Suggest cirtel be changed to fol:

⁴⁶ See telegram telCan No. 513, July 29, p. 807.

"In all cases involving Amers in ur district where clear evidence exists lack protection afforded by Commie auths, you are instructed (1) attempt protest through most effective or feasible channels to local auths citing circumstances (2) provide ConGen Peiping and Emb Nanking with details and recommendation whether or not those posts shld at that time attempt lodge similar protest with Commie auths Peiping, Nanking (3) rpt info Dept. You shld keep Emb, Peiping and Dept informed re outcome such cases. Re cases concerning which you have initially recommended Emb and Peiping not attempt protest, you shld at any subsequent time you feel such protest desirable recommend such, repeating message to Dept. Emb to keep Dept, Peiping and post concerned informed re protests. Peiping to keep Emb, Dept and post concerned informed re protests."

ACHESON

II. DIFFICULTIES OF THE DIPLOMATIC COMMUNITY AFTER THE DEPARTURE OF AMBASSADOR STUART; CHINESE COMMUNIST OBSTRUCTIONIST TACTICS TO PREVENT DEPARTURE OF THE AMERICAN MILITARY ATTACHÉ (AUGUST 5-DECEMBER 31)

701.0093/8-549: Telegram

The Counselor of Embassy in China (Jones) to the Secretary of State

NANKING, August 5, 1949—8 p. m.

[Received August 5—12:29 p. m.]

1722. Within Nanking's Diplomatic Corps there is currently considerable speculation whether Ambassador Stuart's departure is going to be followed by new Communist transgressions against foreign diplomatic missions and nationals. By his mere presence in Nanking, this great and understanding friend of China undoubtedly extended a certain mantle of protection to all foreigners here. Now that he has left China it is not excluded that Communists will close our transmitters, prohibit code messages over commercial facilities, initiate arbitrary arrests and humiliations à la Olive,⁴⁷ aggravate our labor troubles by supporting extortionate demands [by] employees of foreigners, incite ex-employees of AAG⁴⁸ to claim severance pay from this Embassy, increase our cost of living by various financial taxation maneuvers, and in general make our hold here untenable. Altho these persecutions have so far touched Nanking lightly as compared with Shanghai, whole trend of developments points toward their increase. This would be even more probable if Chen Yi⁴⁹ takes over adminis-

⁴⁷ For documentation on the case of William M. Olive, Vice Consul at Shanghai, see pp. 1155 ff.

⁴⁸ Army Advisory Group.

⁴⁹ Communist general and Mayor of Shanghai.

tration Nanking. Communist reaction against escape of *Amethyst*⁵⁰ may also increase pressure against us.

Despite (1) example set by departure of American Ambassador, (2) local pessimism regarding immediate future of diplomatic missions in Nanking and (3) inactivity of those missions which lack radio communication with outside world, apparently few governments have thought through question of withdrawing from Nanking their chiefs of mission or their staffs either in part or *in toto*.

We assume it is in best interests of US Government now for other chiefs of mission to be withdrawn or at latest before formation CCP⁵¹ national government. This would accord with the "common front" policy of the Western Powers vis-à-vis the CCP and would strengthen bargaining position of these powers if and when they commence negotiation regarding diplomatic recognition of new CCP government. Unfortunately, however, there is little we in Nanking can do to encourage or facilitate departure of these chiefs of mission. At present whole question is still hypothetical because of absence of onward transportation out of Shanghai. British Ambassador⁵² is still without instructions to leave Nanking and his example affects other chiefs of mission. However, Canadian Ambassador has been instructed return Ottawa. We regret to say that one or two other chiefs to be [*sic*] are opposed to leaving Nanking near future for what appear to be personal reasons.

Department may wish discuss question of withdrawal of other chiefs of mission directly with other governments, placing emphasis on importance of "common front", and bleak future facing missions in Nanking. It could take this opportunity to suggest that coordinated plan should be developed for diplomatic personnel Nanking as well for respective nationals Shanghai desiring evacuation. (See Deptel 1502, to Shanghai July 30, repeated Nanking 903.⁵³) Chiefs of mission who still remain Nanking are: British, French, Italian, Belgian, Austrian, Burmese, Siamese, Canadian, Australian, Portuguese, Indian, Dutch, Egyptian, Iranian, Holy See. Missions presently headed by Chargé d'Affaires are: Swiss, Turk, Afghan, Polish and Philippine. USSR has Office Embassy headed by Counselor.

Repeated Shanghai 948, Canton 719, Department pass Peiping 322.

JONES

⁵⁰ H.M.S. *Amethyst*, British naval ship, crippled by Chinese Communist gunfire on the Yangtze off Nanking in April; at this time it had escaped downriver to Shanghai and thence to the open sea.

⁵¹ Chinese Communist Party.

⁵² Sir Ralph Stevenson.

⁵³ Vol. ix, p. 1278.

701.4193/8-649 : Telegram

The Counselor of Embassy in China (Jones) to the Secretary of State

NANKING, August 6, 1949—3 p. m.

[Received 11:23 p. m.]

1729. Re Embtel 1722, August 5 to Department, repeated Shanghai 948, Canton 719. British Ambassador recommending his Government that he depart China for consultation London after Nationalist Government has moved from Canton. He is further recommending that British Government make early announcement that he will be recalled for consultation some time before formation government in Commie China.

Stevenson has always hoped to delay his departure Nanking long enough to avoid nomination Chargé d'Affaires, Canton.

Sent Department, repeated Embassy Canton 722, Shanghai 950, London 2.

JONES

701.0093/8-949 : Telegram

The Ambassador in the United Kingdom (Douglas) to the Secretary of State

LONDON, August 9, 1949—7 p. m.

[Received August 9—4:14 p. m.]

3137. According Dening,⁵⁴ Foreign Office, Canadian Ambassador originally suggested those ambassadors remaining China announce concurrently their impending withdrawal but timing departure left convenience individual ambassador. British Ambassador so informed Foreign Office and recommended concurrence (Nanking 12 [2], August 6⁵⁵). Foreign Office reaction unfavorable as placing too much importance on "unrecognition". No decision, however, in absence Bevin.⁵⁶

Repeated Nanking, Canton.

DOUGLAS

⁵⁴ Maberly E. Dening, British Assistant Under-Secretary of State for Foreign Affairs (Far East).

⁵⁵ Same as telegram No. 1729 from Nanking, *supra*.

⁵⁶ Ernest Bevin, British Secretary of State for Foreign Affairs.

701.0093/8-1549 : Telegram

The Counselor of Embassy in China (Jones) to the Secretary of State

NANKING, August 15, 1949—10 a. m.

[Received August 15—4:23 a. m.]

1787. Most recent obstacle imposed by local Communists to establishment informal relations with *de facto* authorities is requirement that Embassy official when calling Alien Affairs Office described himself on appointment slip as either "official of former American Embassy" or as "foreign national". As Department is aware, appointment slip must also describe purpose of visit which gives Communist official opportunity to be "busy" or "out" if it is subject he prefers not discuss. Coming at this relatively late date, after representatives various diplomatic missions fairly well-known at AA Office, this most recent effort to force local diplomats to disassociate themselves in writing from their representative capacities can only be considered further evidence that Communists have no intention relaxing their present policy of nonrecognition foreign representatives during interregnum.

Sent Department 1787; repeated OffEmb Canton 750, Shanghai 991.

JONES

701.0093/8-1549 : Telegram

The Counselor of Embassy in China (Jones) to the Secretary of State

NANKING, August 15, 1949—11 a. m.

[Received 11:20 a. m.]

1788. Consistency shown by CCP in denying official representative character of diplomatic missions Nanking and consulates in Communist China leaves no doubt it is deliberate policy (see Embtel 1787, August 15). All Communist officials from top to bottom mouth same phrase about absence of diplomatic relations and obviously have been well indoctrinated. Whether this is purely CCP policy or whether it has been arrived at in agreement with Moscow is unknown. It is clear, however, that in its implementation Soviets cooperate fully. (Reclosure their consulates Peiping, Shanghai and transfer Soviet Ambassador⁵⁷ and major Embassy staff out of Nanking prior Communist occupation.) If Communist policy of nonrecognition on *de facto* basis arrived at by agreement with Moscow, it would be of course even more inflexible than if independent policy.

Several reasons suggest themselves for this revolutionary concept of attitude of *de facto* authorities toward official representatives of established sovereign states:

⁵⁷ N. V. Roschin.

1. By stubbornly refusing to permit establishment informal relations by slightest act or word with foreign diplomatic representatives, CCP hopes to force *de jure* recognition on its own terms immediately central government is established. Interim period probably considered softening up process which will make individual diplomat and his government that much more anxious to regularize position through establishment formal relations as soon as this becomes possibility.

2. This is Soviet concept of international relations prior formal recognition and has been suggested by USSR. It not only appeals to xenophobic "middle kingdom" mentality of China but is most useful instrument for Soviets in diminishing western influence, official and private in China. As a part of this policy CCP utilizes present position of missions to impress upon Communist officialdom and Chinese public in general apparent helplessness of foreign governments in face of Communist power.

3. CCP is not anxious for relations with West either formal or informal in early stages of Communist regime. It has deep distrust of anything non-Communist and when Mao⁵⁸ refers to willingness to establish diplomatic relations with all nations on basis equality, mutual benefit, etc., he is talking only in terms of CCP conditions for recognition which would obviously be impossible of acceptance to any non-Communist government of the West.

If any above analyses correct, would appear continued maintenance diplomatic establishment Nanking worse than useless. Not only is diplomatic mission unable to carry out its representative function on even most informal basis, but mere presence diplomatic personnel, particularly chiefs mission, gratuitously provides Communist authorities means of pressure to impel establishment formal diplomatic relations on Communist terms. Western powers may find themselves more and more restricted politically in their freedom of action toward Chinese Communist regime by presence official personnel here.

We must admit that Communists have whip hand in this situation, and that they will not hesitate to use it to their advantage. Longer we remain here and more we attempt to deal with local authorities, more we are all convinced that we cannot have it both ways. There are only two courses: Either we stay and take it, lending ourselves to this new interpretation of international relations, or we withdraw until such time as we can return with recognition and assurances of ability to function. It is, of course, for Department's decision whether our usefulness here in present circumstances outweighs considerations of our anomalous position.

Sent Department 1788, repeated AmEmbassy Canton 751.

JONES

⁵⁸ Mao Tse-tung, Chairman of the Central Committee of the Chinese Communist Party.

124.933/8-1849 : Telegram

The Counselor of Embassy in China (Jones) to the Secretary of State

NANKING, August 18, 1949—4 p. m.

[Received August 18—11:40 a. m.]

1825. ReDepcirtel August 9.⁵⁹ Notice today given 8 USIS employees their services terminated as of close business September 3. Balance of staff informed decision their cases pending. Final determination number and names persons terminated will be made when reply [to] Embtel 1766, August 12⁶⁰ (to Canton 739, Shanghai 967) received. No action yet severance pay but expect demands from terminated employees shortly.

Sent Department 1825, repeated OffEmb Canton 777, Shanghai 1012.

JONES

124.933/8-1949 : Telegram

The Counselor of Embassy in China (Jones) to the Secretary of State

NANKING, June [August] 19, 1949—5 p. m.

[Received August 19—8:47 a. m.]

1838. Following is text of dismissal notice handed each of 8 USIS employees (Embtel 1825, August 18) :

"It is with regret must inform you owing obligatory closure USIS public activities by Nanking MCC,⁶¹ Embassy unable make use your services after September 3 which to be considered your termination date.

In accordance permanent policy US Government, preference will be given in new employment in future to former employees whose record and relations with Embassy have been satisfactory to the Government. Those whose employment interrupted by Japanese war know this has been actual practice. For protection such employees, Embassy setting up preferred list of Chinese staff who qualify and who must be separated for reasons beyond Embassy's control. This list will be made available to all American Consulates and other US Government agencies which may need to employ at any time additional Chinese staff. In case employment sought from private American firms or international organizations functioning in China, such employees may also refer prospective employer to preferred list."

⁵⁹ Not printed; it reported the situation with regard to the United States Information Service in Nanking (125.0093/7-3049).

⁶⁰ Not printed; the Embassy recommended allowing posts to retain a limited staff for custodial purposes in the USIS situation (124.933/8-1249).

⁶¹ Military Control Commission.

Employees Committee has not yet presented demands but we expect take following initial bargaining position:

(1) Any employee may stand on existing terms employment and upon separation now or later will be entitled accrued leave pay and retirement accumulations with interest.

(2) Dissatisfied employees will be considered to have renounced US Government provisions for separation *in toto* and must negotiate for Communist-sponsored 1 to 3 months' severance allowance in place of, and not in addition to, US Government provisions.

(3) Except possibly in case of employees paid less than US \$50 monthly and employed less than 1 year, employees who unwilling honor their agreement with US Government cannot be considered have satisfactory record or relation with Government and therefore ineligible preferred list.

Senior employees appear to have already decided independently that they wish to have nothing to do with Communist-encouraged group. One has already offered resignation in fear his claim to full pension next year may be jeopardized. This split in ranks has had good effect in impressing on all personnel that US Government separation provisions and policy are (at least in normal circumstances) infinitely superior to Communist counterparts.

Sent Department, repeated Canton 781, Shanghai 1016.

JONES

124.93/8-2049 : Telegram

The Counselor of Embassy in China (Jones) to the Secretary of State

NANKING, August 20, 1949—noon.

[Received August 20—3:09 a. m.]

1843. ReEmbtel 1835, August 19.⁶² Would like to inform other friendly missions, particularly North Atlantic group, Department's decision drastically reduce OffEmb Nanking. (Deptel 975, August 17.⁶³) However, there are no secrets Diplomatic Corps Nanking and Department should be prepared for leak to press if I am authorized inform colleagues this new development. Please instruct.

JONES

⁶² Not printed; it reported in detail the Embassy's recommendations on the personnel situation (124.936/8-1949).

⁶³ Not printed; it dealt with more technical aspects of personnel reduction which marked a decision to begin a process of attrition with respect to the duties and strength of the Embassy's staff (124.93/7-2749).

124.933/8-2349 : Telegram

The Counselor of Embassy in China (Jones) to the Secretary of State

NANKING, August 23, 1949—11 a. m.

[Received August 23—6:43 a. m.]

1873. ReEmbtl 1838, August 19, 5 p. m. Employees' committee Saturday formally stated "hope", not "demand", that Embassy would settle with dismissed employees now and in future on following terms: (1) 1 year's pay; (2) additional allowance US \$300 to each employee earning less than \$1000 annually; (3) special additional consideration to be given employees with more than 1 year's service; (4) foregoing to be in addition to lump sum payment accrued leave and retirement deductions; (5) all benefits to be paid immediately on separation and on US draft; (6) on resumption normal operations, severed employees to be reemployed. Year's pay explained on basis US dollar now worth in commodities only 30 percent its value before take-over.

Embassy's position as outlined reftel given to committee for digestion over week end and all discussion of committee terms deferred until adjourned meeting August 22. Meantime Shanghai MCC rules governing settlement labor disputes in newly reopened enterprises published providing, *inter alia*, that in case of dismissal terms of employment contract must be adhered to and where no contract exists employee is entitled to 1 month's notice and 1 to 3 months' pay, depending on length of service. August 22 committee requested deferment meeting until 23rd.

Sent Department; repeated OffEmb Canton 786, Shanghai 1030.

JONES

124.93/8-2049 : Telegram

*The Secretary of State to the Counselor of Embassy in China (Jones),
at Nanking*

WASHINGTON, August 24, 1949—5 p. m.

1009. Urtel 1843, Aug 20. You may in ur discretion inform heads friendly missions on confidential basis decision re reduction Emb staff. This wld appear to be in order in view our endeavor achieve common action among certain powers on dipl moves. In any case Emb staff applications for exit permits wld probably soon make our decision common knowledge.

ACHESON

701.5193/8-2749 : Telegram

The Counselor of Embassy in China (Jones) to the Secretary of State

NANKING, August 27, 1949—noon.

[Received August 28—2:50 a. m.]

1913. In informing heads of mission of Department's plans to drastically reduce Embassy office Nanking (Deptel 1009, August 24), following information re their plans of interest:

(1) French Ambassador ⁶⁴ presently Shanghai has been recalled Paris for consultation. He plans return Nanking for brief period prior departing China. He hopes depart before formation new government Peiping. Method of exit not yet arranged but Embassy hopes French boat may be permitted enter Shanghai. He will leave Embassy Nanking in charge of counselor with staff approximately seven officers and seven clerks (exclusive Service Attaché Staff).

(2) British Ambassador still plans leave China after fall Canton and before formation new government. Understood he plans exit by British naval vessel waiting outside territorial waters which can be reached by small British river launch from Shanghai. Ministry Council [*Minister Counselor?*] ⁶⁵ has arranged for exit visa and hopes to depart *Gordon*. British Embassy will not be further reduced according to Stevenson who would like to keep it "intact for move to Peiping". After departure of Stevenson and Lamb, First Secretary will be in charge and officer complement will be approximately seven (exclusive of service attachés).

(3) Canadian Ambassador has reservation on *Gordon* to return home. He plans recommend withdrawal entire staff in Nanking, Military Attaché, leaving local interests property in care of Canadian Consulate General, Shanghai. Davis has likewise recommended Canadian Consulate General, Shanghai, be reduced to skeleton staff.

(4) Portuguese Minister, while hoping someone else will take lead, has his orders and is prepared to leave on first available transport to Europe. He plans close legation on departure.

(5) Italian Ambassador without instructions but he believes once French Ambassador leaves he too will be instructed depart. (Department may wish inquire Italian Government its plans particularly in light specific instructions and plans most his colleagues North Atlantic community.)

(6) Netherlands Ambassador has instructions return home preparatory retirement. Departure plans, however, indefinite because lack transportation Europe and personal disinclination. He will leave Embassy Nanking intact with Counselor in charge, First Secretary and two attachés (all Sinologues), Chancellor and clerk.

⁶⁴ Jacques Meyrier.

⁶⁵ Lionel Henry Lamb.

(7) Belgian Ambassador has general instructions giving him wide latitude. He does not wish to depart before British or French Ambassador. When he leaves, however, he plans take his staff with him, leaving local affairs in care Belgian Consul General, Shanghai.

Sent Department, repeated OffEmb Canton 805.

JONES

124.93/8-2749 : Telegram

The Counselor of Embassy in China (Jones) to the Secretary of State

NANKING, August 27, 1949—6 p. m.

[Received August 28—4:35 a. m.]

1915. Embassy has interviewed Woo Yun-chih recently nominated Judge of People's Court for service probably Nanking or Shanghai but temporarily advisor on international law to Communist authorities Peiping. Introduced by AstAMilAt Beebe,⁶⁶ [as] formerly editor *World Culture* and graduate Soochow Law School. Says authorities reconsidering question status foreign diplomatic and consular personnel. Discussed with him memo on recognition and status prepared in Embassy May 9⁶⁷ with which Ambassador is familiar. Woo appeared genuinely interested and asked for copy to take Peiping to which we agreed. Impressed on him that our prime interest in status question not personal immunities and courtesies but:

(1) Right to represent American citizens in their personal and property rights. (2) Right to access to Communist officials. (3) Right to confidential communications. (4) Right to travel to and from posts. Woo apparently already engaged question taxation Government property (Depcirtel August 26, 6 a. m.⁶⁸) and seems to share generally accepted views this point.

Sent Department 1915, repeated Shanghai 1050.

JONES

123 Stuart, J. Leighton : Telegram

The Counselor of Embassy in China (Jones) to the Secretary of State

NANKING, August 31, 1949—6 p. m.

[Received 11:20 p. m.]

1964. Lo Hai-sha⁶⁹ requests Ambassador Stuart be informed (1) relaxation Communist exit requirements facilitating Ambassador's departure was due to number of telegrams and letters sent by Chen

⁶⁶ Maj. John E. Beebe, Jr., Assistant Military Attaché in China.

⁶⁷ Not found in Department of State files.

⁶⁸ Not printed.

⁶⁹ Nanking representative of General Chen Ming-shu, Shanghai representative of Marshal Li Chi-shen, head of the Kuomintang Revolutionary Committee (KmtRC) at Peiping.

Ming-shu to Mao Tse-tung; (2) Chen has agreed take up Bender-Smith matter⁷⁰ on present trip to Peiping, Lo also requests Ambassador's attention called to Chen's statement on White Paper (Embtel 1963, August 31).⁷¹

JONES

701.4193/9-149: Telegram

The Counselor of Embassy in China (Jones) to the Secretary of State

NANKING, September 1, 1949—8 p. m.

[Received September 2—3:37 a. m.]

1979. Further information re future British Embassy Nanking (see Embtel 1913, August 27, to Department, repeated Embassy Canton 805):

Upon departure of Minister Lamb (sailing on SS *General Gordon* end of September) and Ambassador Stevenson (who presently plans depart Nanking after fall of Canton), British Embassy Nanking will be headed by Minister Hutchison (presently Minister-Counselor for Commercial Affairs stationed in Shanghai). Military Attaché with rank of Lieutenant Colonel plans remain; NA,⁷² however, departing on *Gordon*. Retention of relatively large Embassy staff Nanking explained on basis that Embassy acts as personnel reservoir for all China; that Peiping office is greatly understaffed having only one consular officer (newly arrived) and one clerk.

Re future Indian Embassy Nanking, Indian Ambassador⁷³ admitted for first time that he expects remain Nanking until after formation Communist government and probably until establishment relations therewith. While Panikkar's instructions are sufficiently broad that they permit him to depart whenever he considers it appropriate, he informed me in confidence that Nehru's⁷⁴ oral instructions to him were to "stick it out as long as possible". On this basis Panikkar feels that unless life Nanking becomes quite intolerable for him and staff he should and will remain. There is possibility that his instructions may be modified, however, following Acheson-Bevin's conversations Washington.⁷⁵ Panikkar admitted that Indian Government's attitude would be influenced by results those conversations on China policy.

Sent Department, repeated OffEmb Canton 813, Shanghai 1074, London 14, New Delhi 11.

JONES

⁷⁰ See footnote 31, p. 384.

⁷¹ Telegram No. 1963 not printed; for documentation regarding the publication of the China White Paper, see vol. ix, pp. 1365 ff.

⁷² Naval Attaché.

⁷³ K. M. Panikkar.

⁷⁴ Jawaharlal Nehru, Indian Prime Minister and Minister for External Affairs.

⁷⁵ For documentation regarding conversations between the Secretary of State and the British Secretary of State for Foreign Affairs, see vol. ix, pp. 1 ff.

702.4193/9-349 : Telegram

The Counselor of Embassy in China (Jones) to the Secretary of State

NANKING, September 3, 1949—noon.

[Received September 4—4:07 a. m.]

1991. Re Shanghai telegram 3495, August 26,⁷⁶ repeated Nanking only. British Embassy advise that their ConGen Shanghai paid taxes on ConGen without prior consultation Embassy and that FonOff can object only on basis former practice in China and not on grounds comity since British municipal taxes appear to be collected from foreign consulates and even embassies. Nevertheless British Embassy still desires that consulates in China resist payment similar direct taxes.

Embassy has received house tax bills for two rented and three government-owned premises. Bills returned promptly to tax office, one group August 1 and second group August 17, with explanation premises owned by people of US and held for their benefit by US Government; and in case rented property that landlord bound under lease pay all taxes and further that under international law foreign government relieved from payment taxes this description. Nothing further heard to date in respect these properties and no new bills for neighboring properties received. While other missions have declared their intention resist taxation government-owned premises, British say they consider it politic to pay house tax on rented premises in order avoid appearance complete uncooperativeness. In all cases assessments extremely trifling; US cents 25 to 150 for 2-month period.

Sent Department; repeated Shanghai 1082, Hankow 73. Department pass Peiping 356.

JONES

124.933/9-549 : Telegram

The Counselor of Embassy in China (Jones) to the Secretary of State

NANKING, September 5, 1949—4 p. m.

[Received September 5—9:10 a. m.]

2005. At adjourned meeting, August 23, (Embtel 1873, August 23) Embassy Employees' Committee indicated no change their position and Embassy expressed view matter must be brought to attention General Labor Union. August 24 splinter group proposed whole matter be deferred await results Shanghai negotiations. Meantime Committee obtained signatures great majority employees (including all separated USIS staff) take no step individually. Embassy pre-

⁷⁶ *Post*, p. 1284.

pared letter to Union setting forth general terms Government provisions, accumulated accrued leave, retirement deductions and effect application each separated employee. Although Committee known to have been consulting Union informally, pressing of case by Embassy produced new conferences August 29-31 with final September 1, at which Embassy without making offer requested Committee's views Shanghai terms (Shanghai's 3312, August 18⁷⁷) and suggested discussion these terms applied in reverse might be fruitful as Embassy considered special circumstances warranted giving proportionately greatest benefits to those employees with smallest accumulations. Committee retired, then proposed bonuses equal 8 months' salary all employees plus \$100 those earning between 1,000-1500 annually and \$200 to those earning less. Committee also requested payment maintenance at full salary, pending dispute, from September 3 onward and agreement not to dismiss, pending dispute, any additional employees. Embassy naturally obliged reject all proposals, and delivered reference letter to Union September 2. Union expressed interest but stated unable accept letter or act on request it state its views as to whether employment contract existed or whether dismissal notices valid, on ground only employees can ask Union to take any action. Union then indicated Embassy's proper course was to take up matter with Aliens Affairs Office. Memo requesting AAO to take cognizance dispute and forward letter to Union delivered to AAO morning 3rd. AAO stated it provisionally obliged reject memo because (1) objected to statement dismissals resulted from closure USIS public activities, (2) had not received communication from employees and therefore not familiar with all facts, (3) both parties should continue negotiate directly with each other and reach settlement. Meantime Committee indicated own intention approach Union but it is believed it has not yet done so.

Sent Dept; repeated Shanghai 1089, Taipei 88.

JONES

124.933/9-949: Telegram

The Counselor of Embassy in China (Jones) to the Secretary of State

NANKING, September 9, 1949—5 p. m.

[Received September 10—6 a. m.]

2043. Following developments labor front since Embtel 2005, September 5, repeated Shanghai 1089, Taipei 88:

Despite Embassy instructions to watchman at 5 Ninghai to admit no one to premises beginning September 6, discharged employees prevailed on him to admit them and spent working hours September

⁷⁷ Not printed.

6, 7 and 8 in compound, leaving one employee overnight to readmit them each morning. Efforts persuade them leave unavailing. We have informed them we consider their notices of termination valid, and since they are no longer Embassy employees, they have no right occupy US Government property. They insist employment not terminated until agreement reached on separation terms, and are supported in this view by General Labor Union and American Embassy Employees' Committee.

Clough⁷⁸ went September 8 with employee representatives to AAO in further effort to bring dispute formally to attention authorities. AAO representative Tsui stated General Labor Union already in contact with employees, and will represent them in direct negotiations with employer. GLU will set time for opening negotiations. Tsui referred to Bennett⁷⁹ as employer but after being informed (1) that USIS integral part of US State Department operations in China, as MCC itself recognized in notice to USIS to terminate; (2) that discharged employees on Embassy payroll and under jurisdiction Embassy personnel office, he did not press point beyond usual formal declaration that People's Government does not recognize USIS or Embassy, and it seems likely Clough will be able continue to negotiate on behalf Embassy.

Tsui also stated while negotiations in progress employer: Not discharge employees and latter have obligation continue work for employer. When asked for pertinent regulation, he referred to Shanghai provisional labor regulations published Nanking *Hsin Hua Jih Pao* September 6. However, he would not state that these regulations are binding in Nanking, but said merely that they could be used for "reference purposes" in negotiations.

Tsui refused to discuss our contention that employees' employment terminated September 3, and they had no right enter US Government property without our permission. He said this question as well as that of proper amount of severance pay could only be discussed directly with GLU.

At opening of negotiations with GLU, Embassy will take following position:

1. Occupation US Government property by discharged employees form of duress making it impossible for us to negotiate while it continues;

2. Embassy does have right to discharge employees and latter cannot continue employment at will simply by making exorbitant demands;

3. Embassy has contract with employees providing terms of severance. This contract must be taken into consideration in discussion of additional demands employees have made.

⁷⁸ Ralph N. Clough, Second Secretary of Embassy in China.

⁷⁹ Director of United States Information Service.

Initial meeting with GLU representative will be of exploratory nature to feel out his attitude. Embassy does not expect make any concessions at this meeting beyond Shanghai offer referred to Embtel 2005, September 5.

We have been informed by senior employee that present attitude of Embassy Employees' Committee is to mark time pending Shanghai settlement, following which they will demand same treatment. We will continue push for separate settlement although, if GLU adopts delaying tactics, there is little we can do to expedite matters.

We are closing building at 5 Ninghai and withdrawing librarian who has been working there in order strengthen our contention that discharged USIS employees no longer working. If we succeed, discharged employees will then have access only to gatehouse and courtyard.

Sent Department 2043; repeated Shanghai 1108, Taipei 92.

JONES

701.0093/9-949: Telegram

The Counselor of Embassy in China (Jones) to the Secretary of State

NANKING, September 9, 1949—5 p. m.

[Received September 10—9:10 a. m.]

2044. One aspect of our "united front" policy toward Communist China is continued presence of chiefs of mission North Atlantic Powers in Communist territory as formation Central Government Peiping becomes imminent. While French and Netherlands Ambassadors are under instructions from their Governments to leave by first available transport (probably SS *Marechal Joffre* October 15 if permitted enter Shanghai), the other western European representatives are torn with indecision, awaiting move from British Ambassador. The latter has become key figure in plans for general exodus of chiefs of mission Nanking and he shows no inclination to leave.

Stevenson informed me this morning his instructions are that he should leave Nanking when formation of Communist government appears imminent. These, of course, give wide latitude, and lack of regular transport makes precision timing of departure impossible. I have impression that Stevenson has no intention of leaving China near future, rather that he intends to stay to await future developments here and that he will not be particularly embarrassed finding himself in Communist territory after formation of Central Government. This attitude is supported by recent conversation with Australian Ambassador who likewise felt formation Central Government Peiping before his departure China was more technical than practical political problem.

We have heard from authoritative British source that about 2 weeks ago British, Australian and Indian Ambassadors met and took decision not leave Communist China before formation Central Communist Government; that since that time their actions and future plans have been based on that decision. This is somewhat confirmed by attitude expressed by Indian Ambassador last week (see Embtel 1976 to Department; ⁸⁰ repeated Embassy Canton 812, September 1). Likewise Australian Ambassador has no definite plans for leaving China although he has expressed intentions of proceeding Shanghai at time formation Central Government Peiping as ostensibly en route out of country.

Representatives of small powers are bewildered and unhappy over what appears to them divergence policy between US and UK. While some may be persuaded by departure French Ambassador to leave, many will remain until British Ambassador's plans clarify. If Department considers continued present [*presence*] friendly chiefs of mission Nanking after formation Communist Central Government, Peiping, has important political significance, it may wish to clarify British stand during visit Foreign Secretary [to] Washington. Their continued presence after formation Communist Central Government may be considered another step toward early recognition that regime. Certainly departure chiefs of mission Communist China after establishment new government will have much greater political significance than could be attached to such action during present period to [*of?*] local military control commissions.

Sent Department 2044; repeated Embassy Canton 825.

JONES

124.936/9-1249 : Circular telegram

The Counselor of Embassy in China (Jones) to the Secretary of State

NANKING, September 12, 1949—noon.

[Received September 12—3:24 a. m.]

2065. Because of drastic staff reductions Nanking will be unable handle large volume political telegrams presently received here. Request effective immediately no political telegrams be repeated Nanking unless of particular interest this office. Press telegrams heretofore regularly repeated Nanking by most posts must also be discontinued. Political reporting from Nanking will be limited to developments this district. Instructions economic reporting given Embassy cirtel September 2, repeated Department 1983.⁸¹ Sharp cutback necessary both classified and unclassified traffic since navy radio facilities being closed and teletype operation discontinued.

⁸⁰ September 1, vol. IX, p. 70.

⁸¹ Not printed.

Sent circular, repeated Department 206 [2065], Department pass Hankow, Tientsin, Tsingtao.

JONES

123 Jones, J. Wesley : Telegram

The Counselor of Embassy in China (Jones) to the Secretary of State

NANKING, September 13, 1949—10 a. m.

[Received September 13—4:52 a. m.]

2071. Exit permits for USIS Director Bennett and myself⁸² are being delayed by Nanking Public Safety Bureau because current labor dispute alien employees. When I responded along with other Embassy officers to invitation from PSB⁸³ to pick up my completed exit permit September 10, I was told there would be some delay in my case, that there was unsettled labor dispute at Embassy; that Embassy employees' representatives had asked PSB in writing to withhold exit permits from Bennett, Bacon⁸⁴ and me until labor dispute settled. Suggestion was made however that if my guarantor willing accept responsibility and that arrangement satisfactory to employees permit would be issued.

I immediately convened Embassy Committee who admitted they had written PSB September 2 as result decision mass meeting employees August 25. I was assured, however, step taken because general fear all officers leaving and no responsible official remaining Nanking settle claims. When I explained Bacon would assume charge my departure and have full authority responsible all Embassy activities they appeared to be satisfied and agreed that I could so state and that they would so indicate to Public Safety Bureau when approached. On my second call Public Safety Bureau September 12, I found neither side had moved and case same status. After discussions, long consultations with each other Public Safety Bureau suggested another letter from employees withdrawing September 2 letter or agreeing to assumption responsibility by guarantor. I then had second meeting with Embassy Committee, told them what Public Safety Bureau required from them and stated I expected that they would comply. Again they appeared to agree Bacon's assumption charge met their requirements. Three of Committee left meeting to call at PSB ostensibly to counteract effect September 2 letter but subsequent report confirms our suspicions Committee has no intention of taking positive action to relieve situation.

⁸² In telegram No. 1762, August 11, Mr. Jones requested transfer out of China, in view of the fact that he had been separated from his family for more than the maximum period of one year for officers in China. (123 Cory, Thomas J.)

⁸³ Public Safety Bureau (Communist).

⁸⁴ Leonard L. Bacon, Second Secretary of Embassy.

I feel we have exhausted all reasonable channels of finding amicable solution problem our exit permits and must now place responsibility on local authorities for their refusal issue. Consequently plan call PSB and Aliens Affairs September 13 to protest delay issuance Bennett's and my permits. Will report further at which time Department may wish consider giving appropriate publicity. Also suggest immediate assistance Peiping ConGen in bringing this official acquiescence in blackmail tactics to attention central authorities.

Sent Department 2071; repeated Shanghai 1120.

JONES

121.5493/9-1349 : Telegram

*The Military Attaché in China (Soule) to the Secretary of State*⁸⁵

NANKING, September 13, 1949.

[Received September 13—6:12 a. m.]

9611. Capt. John J. Christensen, Asst. AMilAt, Nanking, attempted discharge two servants 9 September for refusal take vaccination and dishonesty. While discussing termination settlement, Mrs. Christensen padlocked compound gate believing servants were planning departing with Christensen property. Gate locked from 1800 to 1915 hours when Capt. Christensen removed padlock in presence one servant. Servants remained on premises 21 Yi Ho Road overnight and following morning Capt. Christensen was requested telephonically by Foreign Affairs Section [of] Public Safety Bureau to appear with servants. Christensen then discovered servants had lodged complaint against him they were locked in from 1800 hours 9 September to 0800 hours 10 September, depriving them of their liberty during this entire period. Public Safety officials refused consider Christensen allegations against servants and questioned him from 1030 until 1600 hours without break. Christensen accompanied by Chinese interpreter remained in same room where no telephone available. No opportunity given them eat lunch or phone Embassy but Christensen did not request recess or use of phone. Christensen was requested sign confession and finally signed approximately as follows:

"I, John J. Christensen, admit that the gate at 21 Yi Ho Lu was locked during the hours of 1800 to 1915 hours on the evening of 9 September with the intention of retaining Wang, Chen, Tsai and Chiang. I admit that this was a violation of the Nanking People's Law."

The authorities refused to accept earlier draft including reason for locking gate and statement that case would be regarded leniently and

⁸⁵ Sent via Department of the Army.

concluded. Latter statement was originally stipulated but after statement signed Christensen told case was not closed. Statement finally signed after Christensen tired, thirsty, hungry. Christensen was never told could not leave or under detention or arrest but Public Safety asked for guarantor that Christensen would not leave Nanking and appear when summoned. After first suggesting Christensen send note by messenger for signature guarantee by Bacon, Public Safety then suggested he could go with messenger following to bring back guarantee. Christensen departed, followed in jeep by unarmed Public Safety officer. Without being informed of confession Bacon signed guarantee that Christensen would be available for questioning after eliminating word "summoned" and after being informed by PSB that guarantee did not imply Christensen under arrest, Christensen permitted depart. Public Safety, General Labor Union and Foreign Residents' Employees Association insist servants remain on premises until case settled. Servants not performing duties and one attempted kill Christensen puppy dog evening 9 Sept. Whole day 11 September spent in fruitless discussion with Servants' Union official. Unable agree basis for negotiation because official unable decide whether Christensen justified in discharging servants and even who were discharged as Union regards all servants discharged. Request being made to Alien Affairs Office to arrange basis for negotiation and get servants off premises. Christensen offered pay their maintenance without prejudice to their claims if they would move out but they refused and Union insists they remain. Servants demand 6 months' pay.

Possible propaganda will be made by Communists on lock-in. Settlement of lock-in case and servant dispute being linked by Communists. We are trying keep two issues separate.

[SOULE]

123 Jones, J. Wesley : Telegram

The Secretary of State to the Consul General at Peiping (Chubb)

WASHINGTON, September 13, 1949—8 p. m.

630. [Here follows text of telegram No. 2071, September 13, 10 a.m., printed on page 827.]

Pls bring foregoing immed attn Peiping auths, pointing out this is serious example failure local auths afford protection promised fons in what appears to be official acquiescence by those auths in unreasonable and coercive tactics against fons.

ACHESON

123 Jones, J. Wesley : Telegram

The Counselor of Embassy in China (Jones) to the Secretary of State

NANKING, September 13, 1949—8 p. m.

[Received September 14—5:02 a. m.]

2077. Bennett and I were courteously received at Public Safety Bureau this morning with further reference our exit permits (Embtel 2071, September 13). Substance of long discussion during which I attempted to establish responsibility for issuance or denial exit visa squarely on PSB as controlling authority was that my permit had not been denied but was merely delayed because of written intervention of Embassy employees and that PSB was continuing to investigate to determine whether my departure would in fact affect settlement of existing labor dispute. Under circumstances I did not make protest but confined my remarks to statement that I was concerned over continuing delay; that I was sure that my Government would take grave view of any continuing delay which would prevent my departing on *General Gordon*; that with PSB concurrency I intended to take up question of delay with AAO.

Subsequently at Aliens Affairs Office I was received by one of Huang Hua's⁸⁶ assistants. After listening to my story (which I felt he already knew by heart) he assured me that an investigation of my application was proceeding and that AAO had consulted both with PSB and Labor Union. I have feeling local authorities do not wish to make issue my case or have it become subject widespread publicity and that probabilities of some face-saving formula will be found in time to permit my exit on *Gordon*. No promises were, however; given and both offices suggested easiest way to obtain permit would be prompt and satisfactory settlement of pending labor dispute. Our impression is that they therefore intend delay issuance as long as they dare and hence Peiping pressure would be decisive.

As Department is aware, Bennett's exit permit is being delayed over settlement of payment of rent of former USIS premises (Embtel 1948, August 30⁸⁷). Since landlord has been found Shanghai, that obstacle we hope will be entirely and satisfactorily eliminated by end of week. However, at PSB this morning Director admitted that Bennett had second hurdle, namely employees letter regarding labor dispute. When we raised delay in Bennett's exit permit at AAO this morning, official agreed that this was case similar to mine and implied investigation my case would include that of Bennett also.

Sent Department 2077; repeated Shanghai 1126.

JONES

⁸⁶ Chief of the Alien Affairs Office, Nanking Military Control Council.

⁸⁷ Not printed.

121.5493/9-1449 : Telegram

The Counselor of Embassy in China (Jones) to the Secretary of State

NANKING, September 14, 1949—8 p. m.

[Received September 14—6:44 p. m.]

2094. Re 9611 from AMilAt September 13. In view fact Christensen responded voluntarily to telephone call from Bureau Public Safety September 10 and executed confession without being under apparent restraint or other compulsion by Bureau, and at no time attempted communicate with Embassy, we have seen no clear way protest Bureau action. When asked give guarantee, Bacon (not informed of previous execution confession) obtained categorical statement that language of guarantee did not imply Christensen under arrest, and on his objection he could not guarantee Christensen's appearance whenever "summoned" without Department's approval, Bureau eliminated objectionable term and substituted guarantee that Christensen would be "available at any time for questioning". Bureau has not since recalled him. Memo handed today to Aliens Affairs Office requesting prompt action conclude dispute with Christensen and servants and pointing out intolerable situation resulting continued residence servants his premises. We consider Government's interest as well as Christensen's personal interest best protected by continuing treat matter as unsettled labor dispute in which he is endeavoring cooperate with both police and labor authorities.

JONES

123 Jones, J. Wesley : Telegram

The Counselor of Embassy in China (Jones) to the Secretary of State

NANKING, September 15, 1949.

[Received September 15—12:48 p. m.]

2106. Following memorandum was presented Nanking Aliens Affairs Office this morning:

"John Wesley Jones, American FSO with rank of Counselor of Embassy, made application to Nanking Public Safety Bureau for permission depart China September 2, 1949. Mr. Jones has complied with all requirements of PSB in making application to exit but has thus far failed to receive approved permit. He plans to leave Nanking on Sunday, September 18 for Shanghai and to sail from that port September 24 on SS *General Gordon*.

"Mr. Jones, who entered China 1 year ago with full diplomatic immunity, expects that he will be permitted to return to his country without hindrance or further delay."

Similar memorandum *mutatis mutandis* concerning Bennett submitted same time. Both notes returned with statement absence diplo-

matic relations written communication mentioning diplomatic immunity could not be accepted with reference exit permits. Official added that question was under study.

Sent Department 2106, repeated Shanghai 1146, and Peiping 369.

JONES

124.933/9-1549: Telegram

The Counselor of Embassy in China (Jones) to the Secretary of State

NANKING, September 15, 1949—4 p. m.

[Received September 17—3:46 a. m.]

2107. Embtel 2106, September 15 refers to Embtel 2077, September 13. Aliens Affairs Office summoned Bennett, myself this morning. Official stated after conference with Embassy employees AAO felt it desirable to settle as quickly as possible labor dispute pending Embassy. He therefore suggested we meet with employees at Labor Union today. I asked if subject of our present discussion was labor dispute or my exit permit. Official replied former. I said that Embassy was most anxious settle labor dispute and would of course send representative to Labor Union at any time latter so designated. We added that neither Bennett nor I had been involved in labor discussions with Embassy Committee and therefore we personally would not appear but that qualified representative of Embassy, to deal on behalf of Department with employees, would be present. AAO official emphasized desirability my and Bennett's presence. We reiterated that we would send qualified representative; and that Embassy must reserve right to decide who would represent it in labor discussions. AAO replied that settlement of labor dispute was most important issue and hoped that I would make every effort to bring dispute to early conclusion; he added that he had just received call from Labor Union and that Embassy employees' representatives were waiting there to discuss dispute.

I then asked if I could discuss question of my exit permit to which official consented on condition I be brief since Embassy employees were already waiting for us as pointed out. Briefly I emphasized point that I had made application for exit permit, that I had demonstrated clearly both to AAO and Embassy employees full authority and responsibility of Bacon to conduct and settle any labor dispute after my departure from China; and that my presence in, or absence from, China would have no effect on final settlement of labor dispute and that I would regret very much to see my departure from China tied closely to final settlement of pending labor dispute of Embassy.

Official replied that since labor dispute was in process of negotiation he was unable to make any comment on my statement.⁸⁸

Department please pass information Peiping.

Sent Department 2107; repeated Shanghai 1147.

JONES

124.933/9-2449 : Telegram

The Counselor of Embassy in China (Jones) to the Secretary of State

NANKING, September 24, 1949.

[Received September 24—2:18 p. m.]

2168. Following is termination agreement reached with employees, dated as of September 17:

This termination agreement is hereby entered into between representatives by the American Embassy (hereinafter referred to as the employer) and representatives of the Preparatory Committee of the Chinese Employees Union of the American Embassy (hereinafter referred to as the employees). The following termination terms have been negotiated and agreed upon between the employer and the employees. All employees of the Embassy proper and affiliated organization, the United States Information Service, regardless of whether they are already terminated or to be terminated in the future, shall abide by the terms of the present agreement.

(1) When the employer terminates any employee, written notice shall be served 1 month in advance.

(2) In addition to lump sum leave pay and retirement deductions, to which the employees are entitled and which shall be handled in accordance with the standing regulations, the employer shall issue severance pay to terminated employees.

(3) (a) Severance pay equivalent to 2 months' salary shall be issued to terminated employees whose length of service is less than 2 years, to be calculated according to the value of 1 United States dollar in terms of parity units.

(b) For employees whose length of service is 2 years or more, an additional severance pay equivalent to 1 month's salary shall be issued, to be calculated in the same manner as that referred to in the preceding paragraph.

(c) If the total amount of parity pay and the salary of the last bi-weekly payment together come to less than 200 United States dollars, the employer shall make it up to 200 United States dollars.

(4) The method of calculation of parity pay shall be based on the parity unit rate and United States dollar official exchange rate announced by the People's Government. The factor for calculation has been determined by agreement between the employer and the employees to be 1 United States dollar equals 6.23 parity unit. In the future, if due to fluctuation of the parity unit rate and the United States dollar official exchange rate, the parity value of each United

⁸⁸ In telegram No. 2126, September 18, the Counselor reported exit permits for himself and Mr. Bennett were received the evening of September 17 (123 Bennett).

States dollar in people's notes at the official exchange rate is less than actual United States dollar converted into people's note at the official exchange rate, the parity pay shall be calculated on the basis of actual dollar pay converted into people's note at the official exchange rate. If the parity value is higher than an actual United States dollar in people's notes at the official exchange rate, parity pay shall not exceed 140 percent of actual United States dollar pay.

(5) Parity pay shall be calculated according to the official quotation of the parity unit rate at Nanking on the date of termination of the employee and shall be issued not later than 2 days after the date of termination. If United States dollar drafts can be sold locally, parity pay shall be calculated and issued on the date of termination.

(6) The above terms are determined in accordance with the spirit of the terms concluded between the employer and the employees of the United States Information Service at Shanghai on September 16, 1949. If at a future date they should be found to be at variance with the latter's actual termination practice, they shall be modified as occasions warrant.

(7) The present agreement shall be prepared and signed in duplicate, one copy each being kept by employer and employees.

(8) The present agreement shall come into effect as of September 17, 1949.

Representatives of the American Embassy:

Representatives of the Preparatory Committee of the Chinese Employees Union of the American Embassy:

Nanking, September 17, 1949.

Sent Department, repeated Shanghai 1174.

JONES

123 Jones, J. Wesley : Telegram

The Counselor of Embassy in China (Jones) to the Secretary of State

NANKING, September 25, 1949.

[Received September 30—1:30 a. m.]

2172. China Post Circular. Embassy cirtel September 20, repeated Department 2140.⁸⁹ Relinquished charge office Embassy Nanking to Bacon today September 25, and depart China.

JONES

⁸⁹ Not printed.

701.4193/9-2849 : Telegram

The Second Secretary of Embassy in China (Bacon) to the Secretary of State

NANKING, September 28, 1949—10 a. m.

[Received September 28—5:10 a. m.]

2185. British Ambassador advised me September 26 that he has now agreed with Foreign Office that on his departure Coghill,⁹⁰ presently Canton, be appointed Chargé; Hutchison, presently Shanghai, will be transferred Nanking as officer in charge office of Embassy Nanking and French Ambassador advises that First Counsellor Roux, presently Canton, will be Chargé and Second Counsellor Royère will be in charge of Nanking Office of Embassy as well as principal officer Shanghai Consulate General.

Since American Embassy, Nanking, presently performing few functions other than Consular, question continuance diplomatic status may soon be under consideration by Department. Question presumably will become acute on announcement organization Communist Central Government and recognition thereof one or more powers. We nevertheless urge Department postpone possible reclassification Nanking until joint action can be taken with Britain and France because (1) as Consulate, our relations with existing missions would be awkward; (2) reclassification Embassy properties into Consulate premises might reopen question taxability which apparently dormant; (3) reclassification for administrative reasons certain to be construed as political step and ought not to be made until political purpose thereby served.

BACON

124.931/10-1149 : Telegram

The Second Secretary of Embassy in China (Bacon) to the Secretary of State

NANKING, October 11, 1949—10 a. m.

[Received October 11—5:52 a. m.]

2244. Municipal Tax Bureau returned October 6 house tax bills (Embtel 1991, September 3) with exception bill rented premises Chung Shan Lu, formerly USIS and surrendered owner September 17. Bureau repeats demand taxes be paid and further asks submission leases and deeds; also advises bills other properties not yet rendered may be expected.

Embassy replied October 7 stating hope authorities would express views our objections listed our letter August 1 and adding: "It is

⁹⁰ John Percival Coghill, Consul General with diplomatic status attached to the British Embassy.

especially appropriate this be done this time since authorities Peking have recently acknowledged presence official representatives foreign governments at both Nanking and Peking".⁹¹ Also pointed out tax on 1-A Lang Ya Lu (leased by AMilAt) should be cancelled as being in same category as Chung Shan premises.

Possible but doubtful that re-issuance these bills connected with bid for diplomatic recognition. Re-issuance suggests bills not to be considered feelers only; however as these for period May-June and originally issued July, July-August bills now overdue and reason for delay unknown.

Sent Department 2244. Department pass Shanghai 1177.

BACON

121.5493/10-1149: Telegram

The Second Secretary of Embassy in China (Bacon) to the Secretary of State

NANKING, October 11, 1949—noon.

[Received October 11—7:07 a. m.]

2247. Service Attachés have offered equivalent two and three-quarters to three and three-quarters months' pay as separation allowances [garbled group] 50 alien employees terminated as of October 31. Employees' Committee agreed October 7 and 12 employees standing by agreement. Majority remainder dissatisfied insisting on US \$200 minimum as in case Chancery employees.

While negotiating a. m. October 8 Major Moyer⁹² prevented by group 30 employees from leaving Attaché compound for Chancery and told could not go until after arrival Union official. Moyer called Public Safety Bureau, representative of which arrived within hour, talked to employees and obtained Moyer's release.

Meanwhile, Frankel,⁹³ Clough and myself went to AAO to report and protest detention. AAO representative Tsui allowed us wait 30 minutes, and after being told facts stated: (1) if there was complaint to make Moyer must make it in person. On our objection this an impossibility he left room and returned in 15 minutes to state this police matter in which AAO had no interest. Interview then ended.

Same afternoon Sgt. Abramson detained at home by domestic servants in similar dispute. PSB representative accompanied by Union representative promptly responded and released him.

⁹¹ See telegram No. 1665, October 2, 1 p. m., from the Consul General at Peiping, vol. ix, p. 93.

⁹² Maj. Maynard G. Moyer, Department of the Army officer on duty in China.

⁹³ Capt. Samuel B. Frankel, Naval Attaché and Naval Attaché for Air in China.

Moyer's subsequent interview Miss Chiang at PSB leads him believe police disturbed unauthorized action employees and now anxious step in before situation out of hand. Also noteworthy is current report Peiping has indicated dissatisfaction treatment given foreigners by police and local governments. CCP publicity on repatriation ship *Gordon* and others libels [labels?] passengers as parasites and adventurers from which possible infer Communists surprised if not dismayed numbers departing. On other hand attitude local AAO grows steadily worse. Its uncooperativeness likely due in part anxiety avoid responsibility for any positive action; but when it does act immediate result many cases to turn foreigner's minor difficulties into major ones. Net effect current seemingly contradictory policies PSB and AAO to emphasize [garbled group] capabilities CCP on one hand and disadvantages absence formal diplomatic relations on other.

BACON

124.93/10-2049

*Memorandum by the Director of the Office of Chinese Affairs (Sprouse) to the Deputy Assistant Secretary of State (Merchant)*⁹⁴

[WASHINGTON,] October 20, 1949.

With reference to your question as to the possible downgrading of the Embassy at Nanking to a Consulate General or Consulate now that the Communist "government" has been formed and invited recognition, there is attached a copy of Nanking's telegram no. 2185 of September 28⁹⁵ which anticipated this problem and recommended, for reasons which CA⁹⁶ considers cogent, that no action be taken except on the basis of joint action with the U.K. and France.

In addition to the reasons given by Nanking for retention of the status of Embassy, it is our opinion that it might be politically unwise to take any steps to change the status of our office at this time. Such action, if publicized, would be sure to be interpreted as indicating a basic change in our attitude toward the Chinese Communists along the following lines: (1) that the U.S. had no intention, now or in the future, of recognizing the Communist regime and was therefore cutting all remnants of diplomatic ties with Communist-occupied China; or (2) that the U.S. was paving the way for recognition by the removal of our Embassy office at Nanking for the purpose of raising our Consulate General in Peiping to an Embassy. Speculation along either of these channels would, we feel, be unfortunate, and it is our opinion that we would be well advised to let the present situation continue undisturbed.

⁹⁴ Notation by the Assistant Secretary of State for Far Eastern Affairs (Butterworth): "I agree. W.W.B."

⁹⁵ *Ante*, p. 835.

⁹⁶ Office of Chinese Affairs.

As far as precedents for such action are concerned, you will recall that at the time of Pearl Harbor we had three functioning Embassy establishments in China: one in Japanese-occupied Peiping with a Counselor as principal officer; one in the puppet capital of Nanking with a Second Secretary in charge; and one in the Nationalist capital of Chungking where the Ambassador was in residence.

121.5493/10-2049 : Telegram

The Secretary of State to the Consul General at Peiping (Clubb)

WASHINGTON, October 20, 1949—5 p. m.

725. Nanking Public Safety Bureau has refused issue exit permit Gen Soule, MA Nanking, who thereby forced cancel passage Hong Kong on Brit ship scheduled sail from Shanghai Oct 19. Soule completed all necessary procedures, including newspaper ad and application for permit Oct 6. Soule also furnished PSB with written statements (1) naming persons responsible for negots with Chi employees Asst MA after Soule's departure, (2) setting forth principles on which negots being conducted effect final settlement with employees. Soule also explained to PSB officials during personal call that Maj Moyer remaining behind represent Soule and that all Attaché offices had disbursing officers staying behind capable making payments when settlement reached.

PSB recd ltr Oct 15 a.m. from certain US Govt employees (including ALUSNA ⁹⁷ personnel neither paid nor employed by Asst MA) requesting Soule be refused permission leave Nanking until termination pay negots completed. PSB stated it desired investigate entire matter and refused exit permit on grounds employees whether Army Navy or Air considered Soule senior Attaché responsible for negots. All efforts determine identity ltr writers no avail.

Dept desires you address ltr to "General Chou En-lai,⁹⁸ Peiping" setting forth above facts and pointing out (1) Gen Soule has stated orally and in writing responsible officers Asst MA and other Attaché offices remaining behind with full auth negotiate and make final payments; (2) neither Gen Soule nor his rep is responsible for negots with Navy and Air employees who are among signers ltr requesting detention; (3) US takes serious view of attempt by local auths at Nanking, on basis flimsy pretext, to prevent departure of Amer official from China, in contravention recognized principles internatl law; (4) US Govt does not countenance negot under duress and will not authorize its rep submit thereto.

⁹⁷ Office of Naval Attaché.

⁹⁸ Communist "Premier and Foreign Minister of the Central People's Government of the People's Republic of China".

Conclusion of ltr shld request assurance Soule will be issued exit permit promptly and will be permitted depart by first available transportation.

Pls comment if you perceive objection this protest. Tele Dept text any communication sent.

ACHESON

121.5493/10-2449: Telegram

The Consul General at Peiping (Clubb) to the Secretary of State

PEIPING, October 24, 1949—11 a. m.

[Received October 24—3:52 a. m.]

1805. ReDeptel 725, Oct. 20. Note pending matters include Soule's departure following: Removal Mukden personnel, Smith-Bender, closure Consulates (Depcirtel October 13⁹⁹). Believe circumstances warrant making direct approach Foreign Office, contemplated Contel 1757, October 17,¹ if feasible. Would recommend that if possible visit, if made, should carry some implicit promise advancing matters of interest Communist side. There might also well be discussed matter of Consulate contacts with local authorities (though I feel basic improvement position improbable prior recognition).

Am temporarily holding up action. Please instruct priority.

CLUBB

121.5493/10-2749: Telegram

The Second Secretary of Embassy in China (Bacon) to the Secretary of State

NANKING, October 27, 1949—9 a. m.

[Received October 27—1:22 a. m.]

2316. Reference Military Attaché's 9700, October 25.² Following memo sent registered mail to Aliens Affairs Office October 26 after interview refused on ground Bacon had no interest General Soule's exit permit:

"Robert H. Soule, American General officer with title of Military Attaché, applied on October 10 to Nanking Public Safety Bureau for permission depart from China. He understands that he has complied with all requirements of PSB connected with application but has thus far failed to receive his permit. He was informed on October 15 that certain persons had objected to his departure pending settlement of dispute involving him as employer. Although no such dispute now

⁹⁹ Post, p. 1323.

¹ Post, p. 982.

² Not found in Department of State files.

exists he was informed on October 25 that 'three or four matters' remain unsettled and that permit must be withheld for time being. He is unaware what matters are referred to and is unable to obtain any explanation from PSB.

"General Soule, who entered China with full diplomatic immunity, expects that he will be permitted to depart from China without hindrance or further delay."

Soule intends present personal protest October 27. At present impossible determine whether refusal both PS and Aliens Affairs discuss matter due uncertainty their own position caused by instructions higher authority merely (1) discrimination against Americans or (2) intention force settlement some undisclosed matter involving OMA.³ Urgently renew request that Consulate General, Peiping, be instructed protest detention and that publicity be given matter (Embtel 2280, October 18⁴).

BACON

121.5493/10-2449 : Telegram

The Secretary of State to the Consul General at Peiping (Clubb)

WASHINGTON, October 27, 1949—6 p. m.

744. Dept is giving consideration subj matter urtel 1805 Oct 24.

ACHESON

124.936/10-2749 : Telegram

The Second Secretary of Embassy in China (Bacon) to the Secretary of State

NANKING, October 27, 1949.

[Received October 28—1:21 a. m.]

2323. We are finding it increasingly difficult secure protection for US Government property due to adamant stand of Public Safety Bureau that they will deal only with owner of property, or in case foreign government-owned property, only with resident of premises. They refuse admit Embassy officer US Government as owner. In recent case where Clough tried to report burglary in occupied house, he was told only Chinese watchman residing on the premises could make report. PSB attitude is based on doctrine that since US has no diplomatic relations with Peiping Government, no American in China can represent US Government interests here. Doctrine leads to absurdity that only Chinese watchman can deal with PSB in matters concerning protection of unoccupied US Government-owned property

³ Office of Military Attaché.

⁴ Not printed.

where he happens to be stationed. We have taken position that as officials of US Government we have responsibility for its property and we consider PSB, as agency responsible for law enforcement in Nanking, has obligation to act on reported violations of law, whoever reports them. Fortunately, local police and PLA ⁵ soldiers have shown higher sense of public responsibility, and in robbery case cited above, acted promptly to apprehend thieves without inquiring as to whether reporting individual owned or resided in property involved. We have informed PSB of our satisfaction with this prompt action and our hope that police will respond similarly should other cases occur. We made clear that we consider PSB fully responsible for police protection US Government-owned property in Nanking.

Sent Department, repeated Shanghai 1210, Peiping 381.

BACON

124.936/10-2849 : Telegram

The Second Secretary of Embassy in China (Bacon) to the Secretary of State

NANKING, October 28, 1949—9 a. m.
[Received October 28—1:11 a. m.]

2324. Since dispatch Embtel 2247, October 11, our relations with PSB have taken turn for worse and increasingly stiff attitude on part of both PSB and authorities apparent. Rejection of official character of Embassy officers and insistence on dealing only with individual whom Communist authorities consider directly involved has been carried to ridiculous lengths as in case Embassy property cited Embtel 2323, October 27, and Moyer lock-in case (Embtel 2247, October 11). We suspect this trend will continue as recognition fails materialize. There is some evidence of discrimination against American officials; for example, Indian Embassy officer recently took up with PSB matter of Indian Government coal at certain property and PSB did not object that officer concerned did not reside on property.

Sent Department 2324. Department pass Shanghai 1211, Peiping 382.

BACON

⁵ People's Liberation Army (Communist).

121.5493/10-2849: Telegram

*The Military Attaché in China (Soule) to the Secretary of State*⁶

NANKING, October 28, 1949.

[Received October 28—9:38 a. m.]

683. ReEmb 2316.⁷ Part 1: Morning 27 October Soule called at Alien Affairs Office submitted verbal protest and letter as follows:

"It is desired protest my detention in Nanking by the Nanking Public Safety Bureau. To the best of my knowledge and belief I complied with all People's Government laws and applied for an exit permit. On 15 October I was informed that my exit permit could not be issued until final settlement of separation allowance with Army, Navy and Air Attaché employees who had protested my departure. I was not advised who these employees were though I inquired. Settlement was made with all Attaché employees and all employees have signed a statement accepting same as satisfactory and full payment of all outstanding claims.

An interpreter was sent to secure my exit permit daily. On 24 October he returned stating permit was still withheld because of 3 or 4 unsettled matters. The chief translator of my office was sent to the Public Safety Bureau on the afternoon of 24 October to try and determine what matters remained unsettled. He returned without any definite information.

On 25 October I called at the Public Safety Bureau with Mr. Bacon and the chief interpreter and asked to see the section chief to determine why issuance of my exit permit was still withheld. I was informed that the section chief was absent and would not return until Thursday. I tried to determine what matters under my jurisdiction were considered still unsettled but received no definite reply.

As other diplomatic officials including the American Naval Attaché have been permitted to depart Nanking it appears I am being discriminated against and detained in Nanking. I feel it only just that I be given a clear statement of the reasons my exit permit is being held up, or that I be issued the exit permit and allowed to depart.

Your assistance is requested in securing my exit permit."

Mr. Kang read the letter, informed me statement the People's Government was detaining me in Nanking was in error as the government was not detaining any foreigners. He claimed the statement in the letter that other diplomatic officials have been permitted depart was proof that no one being detained. He claimed statement I was being discriminated against was wrong, that when I saw the chief section Public Safety Bureau the reason exit visa held up would be explained. He refused accept letter or copy of memorandum signed by Mr. Bacon, senior Embassy officer, which I presented but read them both. Kang [is] a new official in Alien Affairs Office whom I met for first time. It evident that his main mission was get rid of me.

Part 2: On afternoon 27 October called at Public Safety Bureau with Mr. Bacon and interpreter. After considerable wait managed

⁶ Sent via Department of the Army.

⁷ October 27, 9 a. m., p. 839.

interview with Miss Chang, Chief of Section. Chang went into various reasons Soule's exit permit withheld. Finally she agreed only two things remained unsettled, to wit: demands of defunct Embassy club employees for separation pay and claims three former servants employed by Sergeants Abramson and Fox for exorbitant separation pay. Mr. Bacon and I called attention fact she had letter signed by Mr. Bacon and myself stating he assumed all responsibility for settlement club employees dispute, that I had ceased as member of board governors and had no more responsibility club matters than any former members most whom received exit permits. She read letter dated 24 October claiming was signed by 5 club employees which mentioned Frankel, Soule, Moyer, Kutchera as responsible effecting settlement. Chang stated employees claimed Soule was head board governors of club, therefore letter from Mr. Bacon could not be accepted as legal or valid. She said Public Safety Bureau considered Soule responsible because of employees' letter and matter should be settled prior to his departure. When it pointed out that other members of club and board governors were permitted leave Nanking and this was discrimination against Soule, she denied it on grounds employees had not objected prior departure of some and in Captain Frankel's case he was not leaving China but only going Shanghai. Chang refused accept statements Soule could not negotiate club employees dispute, claimed Soule should present statement signed by all club employees he not responsible for settlement. With respect the three servants of sergeants, it was pointed out these were hired as personal servants and their claims were against individuals and not Military Attaché. She agreed make further investigation of case.

[SOULE]

121.5493/10-2749: Telegram

*The Secretary of State to the Second Secretary of Embassy in China
(Bacon), at Nanking*

WASHINGTON, October 31, 1949—1 p. m.

1197. Re final sentence ur 2316 Oct 27, full publicity given this case in Secy's press conference Oct 26.⁸ ConGen Peiping instructed protest detention, which will be done soonest practicable time.

ACHESON

⁸ Press release No. 825, "Obstructions in issuance of exit permits in Communist-occupied China", was made public at this conference. It said in part: "The Department takes a serious view of the flimsy pretext used by the local authorities to prevent departure of an American official from China in contravention of generally recognized principles of international law. The United States Government does not countenance negotiations under duress and will not authorize its representatives in China to submit to such pressure." *China Herald*, November 1, 1949.

121.5493/11-249 : Telegram

The Second Secretary of Embassy in China (Bacon) to the Secretary of State

NANKING, November 2, 1949.

[Received November 2—12:51 p. m.]

2355. Re MilAts 683 October 28 (not repeated Peiping). At [On] October 29 delegation club employees asked see Soule who received them and stated he not member board and could not negotiate as such; also that their letter October 24 to Public Safety Bureau constituted form duress making any negotiations with signers impossible. At same interview Clough stated Bacon was sole remaining board member and as such had authority effect settlement and had designated Clough as negotiator, but that no further negotiations possible until letter withdrawn. Delegation departed without indicating intentions re letter. Following letter dated October 31 thereupon sent each employee by Bacon:

[Here follows text of letter explaining situation.]

Section chief made following comment: (1) PSB has only Soule's and Bacon's statements that Soule not board member and these statements insufficient in law to establish fact; (2) employees had been endeavoring contact Soule without success and as late [last?] resort had filed letter of October 24; (3) an earlier communication had been received October 11 from employees but since Soule had not inquired about it, has not considered necessary to disclose it to him; (4) phraseology statement by Secretary of State "improper" and menacing"; that PSB only following its regulations; and that she would retain the letter for a short time in order to bring it to attention higher authority.

Sent Department 2355, repeated Peiping 386. Please pass Department of Army.

BACON

121.5493/11-449 : Telegram

The Second Secretary of Embassy in China (Bacon) to the Secretary of State

NANKING, November 4, 1949.

[Received November 4—1:29 p. m.]

2364. Embtel 2355, November 2. Following petition delivered November 4 to Aliens Affairs Office by Bacon as chairman board governors former Embassy club after rejection previous day similar communication on ground not in form petition:

"I have the honor to submit this petition and to state that former American Embassy club, a private organization whose members drawn primarily from Diplomatic Corps, Nanking, was closed October 1 due

to departure large number members and consequent impossibility further financing its operations. As sole remaining member board governors in Nanking I have been conducting negotiations with employees through my representative Major Moyer in effort reach equitable agreement as to separation allowance to be paid them. To date no settlement reached because employees insist they be paid separation allowance on same basis as official employees of US Embassy. Because impasse reached after more than 6 weeks negotiations I desire that matter be brought before Labor Bureau of Municipal Government and settled through established procedures. Major Moyer is preparing depart and I have therefore designated Clough as my representative this matter. Your attention to matter respectfully requested."

Kang of Alien Affairs Office declared petition acceptable and asked for immediate oral statement on full course of negotiations. Bacon declined on ground had not personally taken part in negotiations and in any event preferred submit written statement. Kang then declared petition not entitled consideration if Bacon refused give account negotiations. After further argument Kang said he would have to call in employees to hear their side. Bacon expressed hearty agreement and inquired whether written statement his part desired. Kang said not necessary and that Bacon would be informed of next step to be taken by him.

Pass Army Department.

Sent Department; repeated Peiping 388.

BACON

121.5493/11-549 : Telegram

*The Military Attaché in China (Soule) to the Secretary of State*⁹

NANKING, November 5, 1949.

[Received November 5—7:18 a. m.]

9710. Attention invited Embassy Nanking 2355 dated 2 November to State reference club employees.

3 November received letter from Foreign Service Employees (clerks and laborers) Association of Nanking stating representatives all club employees desired appointment with me 10:00 a. m. Met 5 representatives club employees as requested 10 o'clock in presence Mr. Clough. Advised them Mr. Bacon responsible club negotiations, Mr. Clough his representative, that I without authority negotiate dispute; furthermore their letter to Public Safety Bureau causing my detention Nanking under duress which was additional bar my interceding in negotiations, suggested they withdraw letter at PSB. Representatives stated letter had been filed in response advertisement as they afraid no one would be left responsible for club; that respon-

⁹ Sent via Department of the Army.

sibility for detaining me Nanking was PSB but did not promise withdraw letter.

[SOULE]

121.5493/11-749 : Telegram

The Consul General at Peiping (Clubb) to the Secretary of State

PEIPING, November 7, 1949—4 p. m.

[Received November 7—4:38 a. m.]

1932. ReDeptel 725, October 20. In view interim developments and particularly settlement labor dispute Attaché offices and Bacon's undertaking get mediation of club employees dispute, of course assume Peiping would be authorized make appropriate changes text letter Chou En-lai but propose answer on basis general reasoning to be set forth early telegram eliminate references "flimsy [pre]text" and "USA would not countenance negotiations under duress".

Please authorize.

CLUBB

121.5493/11-849 : Telegram

The Consul General at Peiping (Clubb) to the Secretary of State

PEIPING, November 8, 1949—8 p. m.

[Received 11:35 p. m.]

1941. ReDeptels 725, October 20, and 759, November 1,¹⁰ next two telegrams Peiping No. series¹¹ give English texts notes addressed Chou En-lai on two subjects, Assistant [Am.] Military Attaché Soule exit permit and American Government real property Tsingtao under respective dates November 7 and 8, both dispatched today. Recommend no publicity for present.

Department please inform Nanking, Tsingtao appropriately, also Tientsin at discretion.

CLUBB

121.5493/11-849 : Telegram

The Consul General at Peiping (Clubb) to the Secretary of State

PEIPING, November 8, 1949.

[Received November 9—3:20 a. m.]

1942. Following is text letter November 7 re Soule exit permit:

"Under instructions of my Government, I invite your attention to the fact that the Nanking Bureau of Public Safety has refused to

¹⁰ For latter, see p. 1149.

¹¹ Telegrams Nos. 1942 and 1943 printed *infra* and p. 1151, respectively.

issue an exit permit to Brigadier General Robert H. Soule, American Military Attaché, forcing him to cancel his passage to Hong Kong on a British ship which had been scheduled to sail from Shanghai on October 19, 1949. General Soule had made application for an exit permit on October 6. There was at that time an unsettled labor-management dispute with employees in the Military Attaché's office, but General Soule had furnished the Bureau of Public Safety with a written statement (1) naming the American official responsible for negotiations with the Chinese employees after his departure, and (2) setting forth principles on which the negotiations for final settlement with the employees were being conducted. He explained further than [that] an authorized representative remained behind and that there was attached to the office a disbursing officer capable of making payments when a settlement had been reached.

On October 15th the Bureau of Public Safety received from certain alien United States Government employees, including personnel of the Office of the Naval Attaché, who were neither employed nor paid by the Military Attaché, a request that General Soule not be permitted to depart from Nanking until the completion of negotiations for separation pay. The Bureau stated that it desired to investigate the entire matter, and refused to issue an exit permit on the grounds that those employees whether of the Military, Naval or Air Attaché Offices considered General Soule to be Senior Attaché and responsible for such negotiations. The identities of the persons writing the letter were not disclosed.

It is understood that this particular labor-management dispute has now been satisfactorily settled but that former Chinese employees of the American Embassy Club now claim likewise that General Soule is responsible for their pay and that consequently General Soule has not yet received his exit permit, or assurances that he will, prior to the settlement of those new disputes. The dispute concerning the former Attaché employees having now been settled, it will not be dealt with here.

Quite apart from the question of the propriety in international law of the refusal of local authorities to permit the exit from a country of a diplomatic official on the grounds that there is an unsettled labor dispute involving members of his staff, particularly when responsible administrative officers are remaining behind, it is observed that in the present instance the responsible chairman of governing board of the American Embassy Club is American Foreign Service Officer Leonard L. Bacon and not General Soule, who resigned from his position as board member prior to October 12, 1949.

The United States Government takes a serious view of the refusal of the Nanking authorities to permit the departure from China of that American Embassy official, on the grounds that there exists an unsettled labor dispute in an organization for which he does not even have responsibility in contravention to the recognized principles of international law. It is not understood that this action by the concerned local officials has the approval of superior authority. It is requested that you kindly bring this matter to the attention of the appropriate high authorities with a request for investigation and appropriate action, to the end that General Soule will be promptly

issued the desired exit permit and permitted to depart by the first available transportation.[?]

Sent Department, Nanking 1149.

CLUBB

124.933/11-1449 : Telegram

The Second Secretary of Embassy in China (Bacon) to the Secretary of State

NANKING, November 14, 1949.

[Received November 13—9:39 p. m.]

2412. Prior to termination September 30 employment of American Embassy club workers, board governors offered to each worker 1 month's pay in lieu of notice and 1 month's separation pay. Board considered this reasonable and in accordance Shanghai labor regulations governing separation allowances, since club had been opened only December 1948, no employee had worked more than 10 months and some less than 6. Board dissolved early October. But Bacon as chairman has continued to keep offer open. Three employees have accepted offer and have been paid off. Majority employees, however, through their committee, originally demanded separation allowance amounting to approximate equivalent US \$200 for each, regardless salary or length of service. On November 8 employees reduced demand to amounts ranging from equivalent US \$50 to US \$200, equal to approximately 6 months' pay for each employee and in addition maintenance at full salary from October 1 to date dispute settled. Meantime Bacon has ascertained that board's original offer was not only reasonable and in accordance with law but more generous than law requires. On October 5 Peking Labor Bureau mediated case of former USIS employees and decided that separation allowances should be paid in accordance with Shanghai regulations and that rate was to be one-half month's pay for each 6 months of employment, maximum 3 months' pay and that where no allowance had been offered maintenance should be paid during pendency dispute at rate of one-half former salary. It is presumed that this decision is known to labor and administrative authorities at Nanking. Yet to date Nanking general labor union has failed to intervene in Embassy club case despite requests from both sides; and Nanking Aliens Affairs Office has declined to act on formal request November 4 that Nanking Bureau of Labor proceed to mediate case. By insisting that direct negotiations with the employees be resumed, the Aliens Affairs Office has avoided assuming any responsibility for the expeditious settlement of the case. At same time Nanking Public Safety Bureau continues encourage employees to demand more than provided for in Shanghai

regulations or Peking decision by continuing withhold Soule's exist permit.

Pass Army Department.

Sent Department 2412, repeated Peiping 395.

BACON

121.5493/11-1449 : Telegram

The Second Secretary of Embassy in China (Bacon) to the Secretary of State

NANKING, November 14, 1949—9 a. m.

[Received November 13—10:42 p. m.]

2413. Miss Chang's transparent efforts obtain from Soule written statement containing admission continuing responsibility for settlement club dispute (Embtel 2411, November 14¹²) indicates she has been advised bolster Communist position Soule primarily responsible and presence necessary final settlement. We consider this result of Peiping protest (Contel 1942, November 8).

Urgently recommend Peiping file soonest supplementary protest on basis facts stated Embtel 2412, November 14, repeated Peiping 395. This probably only opportunity get merits of case before Peiping authorities.

Pass Army Department.

Sent Department 2413, repeated Peiping 396.

BACON

121.5493/11-1449 : Telegram

The Consul General at Peiping (Clubb) to the Secretary of State

PEIPING, November 14, 1949—4 p. m.

[Received November 14—12:15 p. m.]

1992. Re Embtel [my] 1941, November 8. Letter November 7 to Chou En-lai re Military Attaché Soule exit permit was returned by mail today without acknowledgement or comment.

Re Embtel 396, November 14,¹³ believe in circumstances new note to Chou at this stage would be fruitless. Believe it would be better await further developments Nanking. Effect of any note to Peiping authorities should shortly be discernible Nanking and if communication quite without effect new note would be for present useless. Re Embtel 394, November 14,¹² suggest Bacon apply formally direct Labor Bureau as "representative" club if feasible.

¹² Not printed.

¹³ Same as telegram No. 2413 from Nanking, *supra*.

Department's instructions requested.

Sent Department 1992. Department pass Nanking 1155.

CLUBB

121.5493/11-1449: Telegram

*The Acting Secretary of State to the Consul General at Peiping
(Clubb)*

Washington, November 15, 1949—noon.

793. Re Embtel 396, Nov 14.¹⁵ If you perceive no objection pls file supplementary protest suggested Embtel 395, Nov 14.¹⁶

WEBB

121.5493/11-1449: Telegram

The Secretary of State to the Consul General at Peiping (Clubb)

Washington, November 16, 1949—6 p. m.

796. Ur 1992 Nov 14, Deptel 793 Nov 14. Although delivery supplementary protest may prove fruitless, this channel appears offer only possibility getting to central auths additional facts in situation which they may well not have. Consequently, pls endeavor pass to auths info outlined Embtel 395.¹⁶

Pls inform Dept whether ltr Nov 7 opened by Commie auths.

Dept concurs your suggestion Bacon, if he perceives no objection, apply formally Labor Bureau as "representative" club.

ACHESON

121.5493/11-2649: Telegram

The Consul General at Peiping (Clubb) to the Secretary of State

PEIPING, November 26, 1949.

[Received November 26—7:03 a. m.]

2098. Following is text letter November 25 re exit permit American Military Attaché Soule:

"With reference to my letter of November 7, 1949, regarding the refusal of the Nanking authorities to grant an exit permit to Brigadier General Robert H. Soule, American Military Attaché, because of an unsettled management-labor dispute in the American Embassy Club in that city, under instructions of my Government I invite your attention to the circumstance that the matter is still unsettled.

¹⁵ Same as telegram No. 2413 from Nanking, p. 849.

¹⁶ Same as telegram No. 2412 from Nanking, p. 848.

"It is to be noted in this general connection that, despite extended discussions from November 7 through November 14 both directly with the employee side and at the Nanking Aliens Affairs Office and the Foreign Affairs Section of the Nanking Bureau of Public Safety, as of November 14 the Nanking General Labor Union had failed to intervene in the management-labor dispute despite requests from both sides and the Aliens Affairs Office had declined to act on the formal request of November 4 that the Bureau of Labor proceed with mediation of the dispute. Contrariwise, by insisting that direct negotiations with the employees be resumed, the Aliens Affairs Office had avoided taking any responsibility for the expeditious settlement of the case, and the Chief of the Foreign Affairs Section of the Bureau of Public Safety had demonstrated an evident intent that General Soule should be advanced [*sic*].

"It is noteworthy that the section chief rejected as unacceptable two different letters offered by the management side—in response to her own suggestion—showing full delegation by General Soule of any club responsibility he might bear to American Foreign Service Officer Leonard L. Bacon, chairman of the Board of the club, and that the section chief declared that the management side was responsible for payment of the employees' wages for the duration of the dispute; but when the management side observed that it considered that the Bureau of Labor would be the organ responsible for determining whether wages as well as severance allowances were payable and asked for a written order, the section chief refused to supply such order. Further, when the management side cited the case of mediation at Peiping of the labor-management dispute involving certain former USIS employees, the section chief stated that North China cases were not to be taken as precedents for the East China Military District. This, be it noted, seems to be in contradiction to the fact that the ruling of the Peiping Bureau of Labor embodied in the aforementioned Peiping mediation agreement of October 5, 1949, was itself based in part on the provisional measures for the administration of disputes regarding resumption of work and resumption of enterprises as promulgated by the Shanghai Military Control Commission, as published in the *People's Daily News* of September 6 and supported by a New China News Agency editorial of the same date.

"There would also seem to arise a question of the propriety of the assumption by the Foreign Affairs Section of the Bureau of Public Safety of jurisdiction of labor-management disputes (which would presumably ordinarily fall within the province of the Bureau of Labor) without its being willing to assume final responsibility for settlement of such disputes. The negotiations appear [to] have reached a stalemate at that stage. It is apparent that the Nanking authorities are failing to facilitate the settlement of the dispute in question, which the management side has repeatedly suggested be referred to the presumed responsible organs, the General Labor Union and the Bureau of Labor. It is evident likewise that, as indicated in my reference letter of November 7, the local authorities in contravention of existing international law and amity are preventing the American Military Attaché from leaving China using as an excuse, a problem, the solution of which they have failed thus far to facilitate. In the circumstances, in accord with the instructions of my Government, I must again request that the matter be given your early attention, to the end

that General Soule be given his exit permit and permitted to depart by the first available means."

Sent Department 2098; repeated Nanking 1180; Shanghai 1221.

CLUBB

121.5493/12-149 : Telegram

The Second Secretary of Embassy in China (Bacon) to the Secretary of State

NANKING, December 1, 1949—4 p. m.

[Received 5:40 p. m.]

2520. Embtel 2482, November 26.¹⁸ Bacon and Clough attended hearing re Labor Union after receiving phone call from Aliens Affairs Office stating Union desired appearance Soule and Bacon. Soule's absence not commented on nor name mentioned at hearing. Employees' demand for separation allowance reduced to 2 months but maintenance and other demands renewed plus demand that all payments based on wage scale be recalculated according to rise cost of living. At conclusion Union official stated case transferred to Labor Bureau which would begin preliminary investigation possibly December 3.

Inform Peiping.

Pass Army.

BACON

121.5493/12-749 : Telegram

The Secretary of State to the Second Secretary of Embassy in China (Bacon), at Nanking

WASHINGTON, December 7, 1949—5 p. m.

1277. Dept Defense has requested this Dept make representations Chi Commie auths obtain exit permits Gen Soule, Maj Moyer and take necessary action obtain exit permits balance Army personnel Nanking, including dependents.

Request info status above cases and recommendations as to further appropriate action re Soule, Moyer.

ACHESON

¹⁸ Not printed.

121.5493/12-849: Telegram

The Second Secretary of Embassy in China (Bacon) to the Secretary of State

NANKING, December 8, 1949.

[Received December 8—5:30 a. m.]

2556. Re Embtel 2520, December 1. Aliens Affairs Office requested Soule December 5 by telephone to [go?] Labor Bureau December 6 a. m. Soule, Clough, and I appeared and found Employees' Committee, Labor Union and AAO officials present, plus 9 stenographers and several photographers. Clough and I registered but Soule did not. Chang for Labor Bureau announced Bureau had been requested by Union to mediate and asked if we agreed. We raised question of necessity Soule's presence and after great argument Chang declared Soule was responsible party. We requested written decision to that effect, which Chang promised to give at end of hearing.

Resuming after lunch, Chang immediately asked for employees to state case. Union officials read long statement including claims for 2 months' separation pay, 1 month's pay in lieu of New Year's bonus, maintenance at full wages from October 1, leave pay at rate of 1 day per week, all payments to be recalculated according to rise in cost of living since September 30, standard being number of parity units purchasable that day by PBN ^{18a} equivalent of each employee's US dollar salary. He also alleged long hours, hardships, et cetera. I requested copy of statement but none was given. I then introduced employees' statement giving copies to Union and AAO officials. Principal point made was that extra demands not covered either by terms of employment or labor regulations. During afternoon session Bureau official, Chang, directed most of his questions at Soule, who referred them to me. At close of session Chang announced Bureau's recommendations—namely, 1-1/2 months' separation pay, 1 month's pay in lieu of New Year's bonus, full maintenance from October 1, all payments to be recalculated according to rise in cost of living. I requested recess to afternoon December 7 in order to determine whether club able to pay and renewed my objections to demands which appeared to be outside amounts covered by regulations.

Resuming hearing December 7, succeeded only in reducing mediator's recommendation New Year's bonus proportionately to number of months served. Draft agreement then prepared by mediator which mentioned only Soule as responsible board member and provided for signature by one representative each party. After extended argument clause referring to responsible board member was amended to read as

^{18a} People's Bank Notes.

follows: "Soule and Bacon, responsible members of the board of the former American Embassy Club".

Terms stated were:

- (1) 1-1/2 months' separation pay.
- (2) New Year's bonus equal to 1-1/2 months' pay for each month employed.
- (3) Full maintenance from October 1.
- (4) All payments to be recalculated according to rise in cost of living.

Mediator then asked whether we agreed. I replied that employer agreed. Employees Committee likewise assented. Mediator asked whether Soule had any statement to make. He then prepared to read text of letter which appears below. Mediator, however, called recess for preparing final copies agreement and meantime indirectly ascertained nature of Soule's statement.

On resuming hearing, head of Labor Bureau for first time joined conference and new copies of final agreement were given to parties. Union official then announced that my name should not appear in text of agreement and that Soule must sign. Based statement on fact employees had alleged Soule was responsible person and in petition to Labor Bureau had referred to Soule only. Soule then read following statement:

"As I have previously stated, upon dissolution of former 'American Embassy Club' at end of September, I delegated all my responsibility as former member of board of governors to Mr. Bacon, Chairman. I have taken no part in ensuing labor dispute negotiations. I have attended mediation proceedings in Bureau of Labor at request of AAO, but I have no authority from former board to agree to any settlements. Such authority is vested solely in Mr. Bacon. If, in view of Bureau of Labor, my signature is necessary to confirm Bureau's decision, I can affix my signature only under protest."

Head of Bureau immediately declared that question Soule's responsibility had already been determined by Bureau, that his protest was evidence had faith, that mediation proceeding had ended; next step would be arbitration and that Soule was responsible for mediation failure. I inquired of Chang when arbitration would take place and he stated "very quickly", and that Arbitration Committee would be composed of three persons selected by Labor Bureau.

Nanking Military Control Commission on October 21 promulgated pertinent Shanghai regulations for application in Nanking. Provisions for arbitration are as follows:

"If mediation proves to be of no avail, Labor Bureau shall then render an arbitration in accordance with law. Decision of Arbitration Board shall be signed by its chairman and after approval by Director of Labor Bureau it shall be notified to both labor and capitalist for execution. If either party of labor and capitalist offers objection to arbitration, he shall notify Labor Bureau within 5 days after receipt

of arbitration decision and shall request court to deal with it; otherwise arbitration decision shall have legal binding force."

Sent Department; repeated Peiping 424, Shanghai 1260; Department pass Army.

BACON

121.5493/12-849: Telegram

The Second Secretary of Embassy in China (Bacon) to the Secretary of State

NANKING, December 8, 1949—5 p. m.

[Received December 8—5:06 a. m.]

2561. ReEmbtel 2556, December 8. Expect Arbitration Committee will find Soule to be person primarily, if not solely, responsible for settling club labor dispute. Believe that if such decision handed down by government organ, Soule would have little choice but to accept and comply. Alternatives would be carry matter People's Court on own initiative or await police action when arbitration decision becomes legally binding after 5-day limit. Alternatives not attractive particularly in light Ward experience.¹⁹ Please instruct soonest. Soule concurs.

BACON

125.5461/12-849: Telegram

The Secretary of State to the Second Secretary of Embassy in China (Bacon), at Nanking

WASHINGTON, December 9, 1949—8 p. m.

1291. RefEmbtel 2561 Dec. 8. Dept's opinion little would be gained by refusing accept Arbitration Comittee decision and carrying question responsibility settlement club labor dispute to People's Court. Likely that such action wld merely prolong Soule's detention since doubtful People's Court wld reverse Arbitration Comittee position. Dept and Army recommend acceptance decision Arbitration Comittee re responsibility for settlement. No objection ur compliance terms as outlined Embtel 2556, Dec. 8.

ACHESON

¹⁹ For documentation concerning the case of Consul General Angus Ward at Mukden, see pp. 933 ff.

121.5493/12-1549: Telegram

The Second Secretary of Embassy in China (Bacon) to the Secretary of State

NANKING, December 15, 1949.

[Received December 15—1:41 p. m.]

2596. Embtel 2556, December 8. On telephonic notification to Soule from Aliens Affairs Office a. m. December 14, Soule, Clough and I appeared Labor Bureau 3 p. m. to attend arbitration. In anticipation of possibility receiving oral decision only, I had invited one representative from Canadian Embassy and two from Dutch who accompanied us as spectators. Although they declared their interest in proceedings as former club members, their admission refused after 20 minutes' delay on ground no invitation given them by Labor Bureau.

Five-man arbitration committee composed of Labor Bureau Deputy Director Feng, two representatives AAO, one representative General Labor Union, and one other representative Labor Bureau. Each side given 10 minutes present arguments. Employees merely stated they wished eliminate from terms agreed on December 7 provision for recalculation wages according to cost of living because difficult explain substitution of parity unit to other employees. (During intervening 7 days parity unit had risen less than 8 percent while dollar exchange had risen 20 percent.) I then stated had always urged actual wage was proper basis for payment and employer agreed to modification terms as proposed by employees. (This change eliminates slight saving resulting from current rate fluctuations but also eliminates one speculative feature of agreement and avoids dangerous precedent.) I further stated that I understand both sides had agreed to terms of settlement and only question for arbitration was which individual required to execute agreement, and that on that point employer had already stated his full case.

After short recess Feng read preliminary statement summarized as follows: (1) Soule is wholly responsible for settlement dispute because (a) he was responsible member of board at time dispute arose, (b) his statements regarding resignation self-contradictory, (2) he refused negotiate and therefore responsible for delay in settlement, (3) Labor Bureau succeeded bringing both sides to agreement on terms, (4) at least moment Soule wrecked mediation proceedings by declaring he could sign agreement only under protest.

Feng then read Arbitration Committee's decision which in general repeated foregoing and fixed terms of settlement as follows: (1) one and half months' separation pay in view long hours and no vacations, (2) maintenance full wages from October 1 to December 14 and (3) New Year's bonus one-twelfth month's pay each month's service; said written copies of decision would be delivered a. m. December 15,

after which each party had 5 days either to report dissatisfaction to Labor [or] appeal to People's Court.

Full text of decision will follow as soon as received and translated.
Sent Department 2596, repeated Shanghai 1271, Peiping 428.

BACON

121.5493/12-1549 : Telegram

The Second Secretary of Embassy in China (Bacon) to the Secretary of State

NANKING, December 15, 1949—3 p. m.

[Received 6:34 p. m.]

2599. Deptel 1291, December 9 and Embtel 2596, December 15. Atmosphere arbitration hearing notably better than at mediation where attitude officialdom extremely hostile. Decision itself unexpectedly moderate in language. No new conditions or penalties imposed nor do we see where Soule will be compelled sign any agreement. Decision will be published local press. It fails to disclose any hints regarding length of service, terms of employment, terms original offer, exact terms employees' demands nor my efforts obtain action from Labor Bureau. However, abundantly emphasizes Soule's continued refusal negotiate and assume responsibility for settlement even though Soule and I presented as artful dodgers. I am preparing pay off employees December 16 after which Soule will renew inquiry re exit permit.

We concur People's Court unlikely reduce award. Embtel 2561, December 8 intended only as request permission submit to jurisdiction arbitration commission as distinguished from mediation proceedings.

Footnote: British at first agreed send representative to arbitration hearing but later withdrew, saying could not risk involvement without Foreign Office's prior permission. As previously indicated, their personnel extremely anxious avoid any complications which might delay transfer to Peiping.

Pass Peiping Department's discretion.

Pass Army.

Sent Department 2599, Department pass Shanghai 1272.

BACON

121.5493/12-1749: Telegram

The Second Secretary of Embassy in China (Bacon) to the Secretary of State

NANKING, December 17, 1949.

[Received December 16—9:16 p. m.]

2609. All club employees (Embtel 2596, December 15) paid off. Formal written decision not yet received but payment made on basis written statement from Labor Bureau December 15 announcing terms arbitration award in accordance ref tel.

Pass Army Department.

Sent Department 2609, repeated Shanghai 1274, Peiping 430.

BACON

893.111/12-1949: Telegram

The Second Secretary of Embassy in China (Bacon) to the Secretary of State

NANKING, December 19, 1949.

[Received December 19—7:16 a. m.]

2620. Soule received exit permit a. m. December 19. Only pending permits are now Captain John J. Christensen (whose application filed and accepted December 19 after completion advertising) and Ast-ALUSNA ²⁰ Lieutenant Dean Kutchera. November 7 Kutchera applied for permission proceed Shanghai and establish residence there. Repeated inquiries elicited only reply that matter under consideration. December 2 cancelled this application and applied for permit exit to States. Paid fee and was instructed proceed with advertising notice intent. Upon completion advertising December 5 made formal application for exit permit. Eight-day period for presentation claims expired December 13, at which time Kutchera again requested issuance permit. Frequent subsequent inquiries result only in statement "matter still under consideration higher authorities" and no reason given for withholding permit. Kutchera had been named by former club employees as "responsible officer" with request his exit permit be withheld, but that dispute completely liquidated Dec. 17. Permit still withheld December 19.

Sent Department 2620, repeated Shanghai 1284, Peiping 432.

BACON

²⁰ Assistant Naval Attaché.

121.5493/12-3049: Telegram

The Consul General at Shanghai (McConaughy) to the Secretary of State

SHANGHAI, December 30, 1949—4 p. m.

[Received December 31—12:10 a. m.]

5451. Sent Department, repeated Taipei 607. Pass Department of Army, AstAMat²¹ Taipei from Soule. Cite 125. Captain J. J. Christensen and family arrived Shanghai 29 December. This completes evacuation all DA²² and AF²³ personnel from Nanking.

Shipping situation Shanghai extremely tight. Attention invited to Shanghai ConGen 5441 and 5442, December 29²⁴ and Taipei 1342, December 27 to State.²⁵ Assume DA familiar with situation and providing all possible support to effect evacuation DA personnel.

Request advise DA policy reference evacuation personnel on blockade runners in event any successful entering Shanghai. Alternate possibilities for evacuation are to secure Communist permission for special cars or train to Tientsin, Canton or other less closely blockaded port. Present restrictions on travel Americans in Communist China make it unlikely such permission will be secured. Repeated requests in Nanking for Sgt. Fox to depart China via Tientsin all refused.²⁶

McCONAUGHY

²¹ Assistant Military Attaché.

²² Department of the Army.

²³ Department of the Air Force.

²⁴ For telegram No. 5441, see vol. ix, p. 1362; for telegram No. 5442, see *ibid.*, p. 1188.

²⁵ Not printed.

²⁶ For information on closing of Embassy at Nanking on March 5, 1950, see Department of State *Bulletin*, March 20, 1950, pp. 462 and 463. For arrangement to evacuate official American personnel in Communist-occupied China by way of Tientsin in late April 1950, see *ibid.*, May 15, 1950, p. 755.