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794a.00/3-2651

Action Taken

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FROM : TAIPEI 177 March 26, 1951

SECRET

Date of Action

7/17

REF: Taipei Despatch No. 78, November 1, 1950

Action Office Symbol

CA

SUBJECT: POLITICAL REPORT FOR FORMOSA, OCTOBER 11 - DECEMBER 1, 1950

Direction to DC/R

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Note: A political report for Nationalist China, covering the period from the beginning of hostilities in Korea through the celebration of Free China's 39th Anniversary of the founding of the Chinese Republic on October 10, was submitted on November 1, 1950 (Embassy Despatch 78). With the arrival of a second political officer in January 1951 it was possible to resume monthly political reports starting with that month. This report, covering a period of almost three months, is designed to fill in the remaining gap for the record.

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SUMMARY

October in Formosa marked the beginning of confidence in American intentions. Many Chinese officials had long felt that the United States had developed to a mature stage a broad policy for the Far East about which the Chinese Government was ignorant. As a result, the Nationalists had harbored the suspicion that the United States might be making a behind-the-scenes deal at the expense of their interests in Formosa. The Wake Island meeting of the President and General MacArthur, and the strongly worded San Francisco speech by the President following upon United Nations action in Korea, were taken as evidence the Free Nations had resumed the initiative in the Far East and were determined to exploit it. Although no new light was thrown on the United States view of the question of Formosa, the conviction that Formosa would eventually have to play an important part in this scheme of things set the stage for the development of somewhat more trust in American intentions. Preoccupation with the question of the status of Nationalist Formosa caused the Chinese Government to be especially anxious that it be included in any discussion on the Japanese peace treaty. There was considerable comment, in the press and on the street, on the reverses suffered by the anti-Communist forces in Indo-China. Most frequent reaction was that the Vietminh problem was even more of a political problem than a military one. The Chinese Government, however, stressed the desirability of opening a front against the Communists

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on the mainland of China, which it claimed would go far toward solving both the Korean and Indo-China problems. Every opportunity continued to be taken to exploit the return to the mainland theme, which dominated Formosan Restoration Day, President CHIANG Kai-shek's 64th birthday and even to some extent United Nations Day.

The advent of a "new war" in Korea, with the entry of the Chinese Communists against United Nations forces, was interpreted as an event of special significance to the cause of Nationalist China. Hopes were revived that the British would be forced to recognize the error of their ways. November was a month of rising optimism in Chinese Government circles, abetted by the visits of ECA Administrator Foster and his party and Senator and Mrs. Knowland. Increased Republican representation in Congress was seen as a good omen for increasing support of the Nationalist cause. An increasing number of overtures were made from responsible members of the military and from several branches of the civil government for an "exchange of opinions and suggestions."

The status of Formosa and prospects for continued Chinese Nationalist representation in the United Nations remained the dominant political theme in December. The Nationalists were chagrined that the Chinese Communists were being shown every attention at the UN, despite their high-handed actions in flouting the authority of that organization. The Foreign Minister expressed the opinion that the Chinese Reds, with one foot in the door of the UN, were being highly successful in their power politics, especially with regard to the weaker nations; he was not optimistic about the prospects of the Nationalists retaining their seat in the United Nations. The end of the month brought a brighter picture, however, with United States backing for postponement of the consideration of the question of Formosa by the General Assembly. This gave an additional boost to the growing pro-American opinion on the island, and all quarters were hoping for and beginning to expect substantial American military aid for Free China. Many responsible leaders both in and out of the Government, however, cautioned that any aid to be effective must be accompanied by rigid controls and technical advice in its use and maintenance.

OCTOBER (after the "Double Tenth")

Status of Formosa

Chinese Government circles in October were preoccupied with the fear that a United Nations investigation of the question of Formosa was only a matter of time. Almost all

non-Government elements on the island had long favored such an investigation. Many Formosan leaders who a year previously had advocated independence for the Island were so heartened by the conviction that "trusteeship is coming" that they were inclined to compromise with and partially support the Government, confident that its evils were soon to be eradicated by international consideration of Formosan grievances. While there was little approbation of the Nationalist Government on the part of native Formosans, their growing tolerance of the regime was made easier not only by the hope of an international investigation but by some evidences of genuine improvement in the local scene. For example, elections for People's Councils had been surprisingly free, and arrests by the several secret service agencies had become somewhat less extra-legal and far less frequent than was the case a few months previously. Later, when there was bitter complaint at KMT interference in elections for magistrates and mayors, resulting in a widespread fear that the Government was insincere in promising local self-government, there were two major considerations in addition to the Government's own strong-arm security measures which militated against overt opposition to the regime: (1) the growing belief that substantial United States aid for the Government was in the offing and the desire to get a finger in the pie; and (2) the increasing clarity of vision with respect to Communism, which by then was seen as the only alternative in the foreseeable future to the Nationalists.

Truman-MacArthur Meeting

In Formosa rapt attention was focused on the October 15 meeting of President Truman and General MacArthur on Wake Island. The event was apparently a source of encouragement to almost all elements in Formosa, inasmuch as it was viewed as an indication that Europe was not to be stressed to the neglect of Asia in the battle against World Communism. The brevity of the meeting caused some concern at first, but the joint statement that the conference was highly satisfactory, although criticized as "too general, vague and abstract," was later accepted by most at face value. There was disappointment, however, that the President's San Francisco speech on October 17 threw no light on the Formosan problem. There had been much speculation as to the chances of MacArthur's views predominating in the resolution of the supposed differences between him and the President. Nevertheless, the President's speech received high praise from most quarters as an unprecedentedly strong stand against Communism in the Far East.

Partial Revival of Confidence in American Intentions

Many Chinese Government officials had felt for some time that the United States had developed long-range plans for the

Far East about which they were uninformed, hence somewhat suspicious. The bases of United States willingness, interpreted by some local officials as almost eagerness, to bring about an international consideration of the future of Formosa were not at first understood. The Truman-MacArthur meeting and the President's speech strengthened the conviction that United States policy for the Far East was in a mature stage, with the Nationalists still kept in the dark. The suspicions harbored by the Chinese Government were partially offset, however, by the Wake meeting and the President's speech which, following United Nations action in Korea, were taken as evidence the Free Nations had assumed the initiative in the Far East and were determined to exploit it. The Chinese Government interpreted this course as a boon to its cause in any event. Official circles tended to believe that a compromise had been reached at Wake in which (1) a peaceful solution of the Formosan question was to be sought (possibly involving long-term neutralization of the Island) but (2) Formosa would not be allowed to fall to the Reds. This was not the full ticket the Nationalists would have written for themselves, but they considered it a net gain if this, indeed, proved to be a correct interpretation. Gratitude was also expressed in these circles that the United States apparently was in no hurry to press for a "peaceful solution."

Japanese Peace Treaty

Since signing of the Japanese peace treaty might be the definitive act with reference to the status of Formosa, the Chinese Government was concerned lest it be slighted in the discussions which Ambassador Dulles was carrying on with certain nations in this connection. Wide publicity was given, therefore, to reports on November 2 that the Government was studying a report from Ambassador Wellington KOO on his discussions with Ambassador Dulles. The Chinese Government found itself in substantial agreement with the United States position. Premier CH'EN Ch'eng, in advocating an early peace treaty, stated to the press on October 27: "The Allies must take effective steps to ensure the freedom and independence of Japan, in addition to being concerned that it be truly democratic. Japan should be allowed to organize its own system of self-defense against international Communism after the conclusion of the peace treaty." He continued with the reminder that "Formosa is Chinese territory, as clearly stated in the Cairo and Potsdam Declarations. Signing the peace treaty will merely be the last step formalizing the restoration of Formosa to China."

Restoration Day

The fifth anniversary of the restoration of Formosa to China was observed in Formosa with parades, fireworks and

speeches. Participation in the festivities was mostly by organizational groups. . . There was little indication of spontaneous enthusiasm in the crowds; on the other hand, there was no indication of resentment at their "voluntary" participation. On the occasion the Generalissimo said in part: "The people of Formosa are Chinese. There is no doubt that sovereignty over Formosa belongs to the Chinese Republic racially, historically, culturally and legally. It is the plan of the Russian imperialists to use China as a base for conquest of the whole of Asia. No matter how the world situation may change we will do our best to rejuvenate ourselves, to overcome our difficulties, to heighten our spirit of national independence and to strengthen our base of Formosa in preparation for the counteroffensive on the mainland. We must destroy the traitorous MAO regime and drive out the brutal Soviet force from our country so as to reconstruct a new China." He enumerated the various fields of progress manifest on Formosa during the past year and concluded by claiming that Formosa was actually "on the way toward the goal pointed out in Dr. SUN's Three People's Principles through the introduction of local self-government and the execution of the land reform program."

United Nations Day

To literate circles in Formosa the United Nations Organization meant much more than was the case one year previously. The Korean conflict, the question of a Chinese Communist delegation to the UNO and the possibility of a United Nations investigation on the Island had made the organization a topic of vital local interest. On United Nations Day a flag-bedecked Taipei commemorated the five years' achievements of the international body with seeming sincerity. Representatives from various groups in the city gave short talks to a capacity audience in the City Auditorium. One speech given without notes by a young Nationalist soldier from Peiping on "What the UNO means to Me" sounded full of conviction and was enthusiastically received by the audience, composed mostly of young people.

On this occasion President Chiang urged that "an adequate international police force be organized under the United Nations to fight any act of aggression whenever and wherever it takes place." He declared, "The Chinese people have always been unswerving supporters of the United Nations, will exert their utmost strength in fighting back the force which seeks to subjugate us and destroy the UNO. We will continue to fight until freedom is restored to the Chinese on the Mainland."

In an open letter to Secretary-General LIE over 3,000 Taiwan University students declared "strong objection to the Soviet puppet regime in Peiping, which cannot represent the free will

of the Chinese people and which cannot be recognized by any truly democratic nation.

Concern for Vietnam

The reverses suffered by the French and Vietnamese forces in Indo-China during October brought forth a surprising amount of comment in the press and on the street in Taipei, and reportedly in other areas of the Island. By far the most frequent comment, both in the press and in conversations with Embassy officials, was that the problem was more of a political than a military one. Newspapers took the line that it was the "reactionary and backward rule of the French Government" which enabled the Vietminh Communists to make full use of the slogan "racial struggle." The influential Hsin Sheng Pao stated, "It is time both France and the United States trace the source of the trouble." The Kung Lun Pao (Young China Party) expressed the opinion that it was not so much Communist infiltration as it was the "rebellion of the Asiatic peoples against poverty and foreign exploitation which is responsible for the present chaos in Asia. In Vietnam the rebels should be won over by bringing to an end French exploitation, granting the right of self-determination in political matters and educating the people to the truth that Communism is not the road to national independence."

Chiang's 64th Birthday

The Generalissimo passed his 64th birthday, accompanied by Madame Chiang, in an unannounced spot in the southern part of the Island. Taipei wore a festive air and seemed to enjoy the holiday. The President at 64 appeared to be in good health. He spoke with assurance and held himself erect. He attended church regularly every Sunday throughout the ensuing winter in an unheated building. At least two close associates, however, have stated that his health has actually failed during the past two years.

NOVEMBER

Chinese Communist Entry into the Korean Fighting

The beginning of the "new war" in Korea, with the large-scale participation of Chinese Communist forces, was interpreted as not only as a problem of great significance to the United Nations but as a development of special import to the cause of Nationalist China. Official comment on MacArthur's formal charges that Chinese Communist troops were opposing United Nations forces was withheld for several days after the event, the official position being that it was up to the United

Nations to decide upon appropriate action, which the Chinese Government would back. When it came, the official line was that an aggressor must be labeled as such and treated as such. High hopes were revived that the British attitude perforce would change. The month was primarily one of watchful waiting on Formosa, characterized by rising optimism concerning the life expectancy of Free China. Attention was primarily on the international scene, and there were few concrete political developments on the local scene during the month.

Despite early official reticence on the subject of Chinese Communist aggression, the Government Spokesman and the vernacular press could not resist crowing over the accuracy of Nationalist intelligence in early forecasting the Chinese Communist entry into the Korean fighting, the invasion of Tibet and the increased technical and material aid to the Vietminh Communists. The materialization of these predictions, however, was a source of genuine concern to the Nationalist Government, which was disturbed at evidences of continued Communist expansion as such, while taking solace in the knowledge that the true complexion of Chinese Communism was being recognized by the majority of the Free World as being of the same hue as the international Communist conspiracy.

Growing Nationalist Optimism

The Nationalists obviously reasoned that the blacker the Chinese Communists became in the eyes of the world, the better their own reputation would become. This feeling was chiefly a by-product of the circumstances and did not mean that most Nationalists approved of the destruction brought on by Chinese Communist action. There was a tinge of pride in the fact that Oriental forces seemed to be measuring up creditably to Western forces, and some satisfaction that the United States was experiencing the same caliber of opposition that the Nationalists had faced on the mainland. On the whole, however, there was genuine sympathy for American losses in Korea, and sincere admiration for our contribution there. Nevertheless, it was generally felt that the Communists' act of aggression had brought closer the day when the relationship between the United States and Nationalist China would become closer. The real hope, of course, was for eventual support sufficient to guarantee a return to the Mainland. At any rate, during November the fear that the United States might be making a behind-the-scenes deal with respect to Formosa gradually lessened. Diffidence in contacting Embassy officials, on the part of both Chinese Government officials and non-Kuomintang political leaders, lessened markedly during November. Numerous overtures were made from responsible members of the military and from several branches of the civil government for an "exchange of opinions and

suggestions."

The mid-November visits of ECA Administrator Foster and party and of Senator and Mrs. Knowland gave a perceptible boost to morale on Formosa. The visits were taken as signifying the prospect of increased aid and encouragement. Especially heartening was Mr. Foster's statement that increased American aid for Formosa was "very probable" and that an increase in ECA personnel was anticipated, especially in technical experts. Senator Knowland's observations on improvements in the Island since his visit one year previously were given wide publicity. Conferences of members of the Embassy, ECA and related organizations with Foster and Griffin, as well as with Knowland, were very satisfactory and were believed to have proven mutually beneficial.

Further cause for optimism was the results of the November elections in the United States. While Chinese Government circles had hoped for a Republican landslide, the increased Republican representation was considered as a good omen.

Almost the only development during the month which was a disappointment to the Chinese Government was the lack of general support at the United Nations for its plea for UNO investigation of Russian aggression against China. The Government had been greatly encouraged when the question reached the Political Committee.

Return to the Mainland

With the Chinese Communists "irrevocably" aligned against the Free World, and with the latter showing signs of gaining the initiative eventually, the Nationalists began to revise downward their off-the-record estimates of how long it would take them to return to the Mainland. They had privately admitted all along that their public utterances on this score were chiefly for morale purposes. With the prospect of a come-back somewhat brighter, responsible civil and military leaders spoke in more realistic terms of the capabilities of the Nationalists in launching a counter-attack. It was admitted freely that the Nationalists could not attempt a counter-attack in force without further aid in equipment and armament, technical advice and logistical support, and probably United States sea and air cover. Nevertheless, the Chinese Government began to make preparations for the day when it might be called upon to face the tremendous problems involved in a take-over. During November it began the registration of all citizens with administrative and technical ability "in preparation for the take-over after the counter-offensive," and laid plans for a 244-man Planning Committee of the Executive Yuan "to study

every phase of the coming take-over job." These steps were doubtless initiated partly for their propaganda value, both at home and abroad. Some of the participants, however, seemed to be taking their jobs rather seriously. One member of the Planning Committee said privately, "I do not personally believe that this present regime can ever take over again on the Mainland. The tide of events may sweep it there, but I do not believe that it would last in its present form. That is not important. It is important to support it now, and this planning is not wasteful motion in any event. Whether this regime ever takes over intact or not, many of the people in it will be needed because of their knowledge and experience. The planning will not go to waste, no matter what happens." It was impossible to know how many felt this way, however, for comparatively few would dare to speak so frankly. The apparent immunity of these few from the dangers of indiscretion, however, is noteworthy.

Developments in Korea were watched as of possible significance with respect to prospects for a return to the Mainland. The only contribution which the Nationalists were allowed to make so far was three shiploads of supplies for Korea, which included rice, coal, salt, DDT and coal briquettes, and the use of several transport aircraft chartered by the United States through Civil Air Transport, Inc.

DECEMBER

Status of Formosa and Nationalist China

As in the several preceding months, the "question of Formosa" and that of Chinese representation at the United Nations remained the dominant political themes in December. On December 5 the Foreign Minister handed the American Charge the text of a "verbal statement" in which he re-emphasized (1) the importance of Formosa in keeping hope alive among the oppressed millions on the mainland, (2) that the admission of the Chinese Communists to the UN from any rational standpoint should be expected to encourage them in even worse behavior than that witnessed so far, and (3) that admission of the Chinese Communists as a result of their action in Korea would assure an early demise of the UN as an agency of security and peace. The Foreign Minister later in the month privately expressed pessimism with respect to Nationalist China's chances of continued representation in the United Nations. He based this view primarily on the feeling that the Chinese Communists were being highly successful in their power politics, especially in influencing the weaker member nations. It was a source of considerable chagrin to the Nationalists that the Communist representatives were at that time being feted and given every attention and consideration at the UN, despite their high-handed attitude and atrocious actions in flouting the

authority of the United Nations.

The most encouraging development of the month was the indication that the United States sought to have the Formosan issue indefinitely postponed, in view of the urgency of acting in the General Assembly upon the problems confronting the Free Nations as a result of Chinese Communist intervention on the side of the aggressors in Korea. The success of this effort made academic for the time the concern of the Chinese Government as to what form the investigation of the question of Formosa would take: whether it would be primarily handled by a four-power discussion, by General Assembly debate, a seven-nation commission, or a combination of these or other possibilities. (See also reference despatch No. 78 of November 1, 1951.) The Charge at that time and since has urged upon the Chinese Government the wisdom of taking advantage of the truculent attitude of the Chinese Communists and Soviets to gain support in the General Assembly, and to take the same approach in the case of any UN commission that might be sent to Formosa, in order to encourage a sympathetic attitude toward the Chinese Government.

Growth in Pro-American Feeling

President Chiang issued a statement early in December reaffirming his faith in United States leadership and in the traditional American policy of maintaining a free China. His sentiments reflected a majority of the politically conscious opinion on Formosa, coming at a time when the UN forces in Korea were suffering setbacks and General MacArthur was under heavy criticism from many quarters. America received a better press in Formosa than it had since the Nationalists came to the island. United States stock rose rapidly after the Truman-Attlee talks. It was widely believed that Attlee brought appeasement plans to Washington which the United States rejected. It was generally felt here that the meeting was a net gain for Formosa. Although the questions of recognition and the seat in the UN were still viewed differently by the two governments, it was the consensus of opinion in Formosa that the United States had convinced Britain of the importance of denying Formosa to the Communists.

The Chinese on Formosa also took comfort in the fact that American women and children were returning to the Island in increasing numbers, and in reports that more foreign correspondents were applying for visas to enter Formosa.

Opinion of Native Formosans

The seriousness of the international situation caused a gradual but appreciable change in the attitude of many of the

leading native Formosans toward the Nationalist regime. There was less talk in these circles of a United Nations investigation leading to a plebiscite. There was more interest evinced in the "dependability" of the United States' policy of prevention of the conquest of Formosa by military force. There developed more interest in staying on the more blessed side of the Iron Curtain than in carping at the existing regime on the Island. They looked upon American strength as the only hope of ensuring this desire, and upon the Nationalist regime as one of the instruments of that strength, at least so far as the immediate future was concerned.

Arrests

By December the rate of arrest of "subversive agents" which reached its height during the summer months had reached a new low. General TANG Tsung, Vice-Minister of the Interior in charge of secret police, intimated in a private conversation that he had feared, when the Government announced that the problem of subversive elements had been solved, that this was being too optimistic. He felt one month later that such was not the case, and that the problem was indeed under control. He felt that growing concern as to the Communist danger and better recognition of the true nature of the Chinese brand of Communism were chiefly responsible for his job suddenly being made easier. There were still a few arrests of people who to all appearances were merely anti-KMT and not necessarily pro-Communist. A number of severe critics of the Government, however, expressed the opinion in December that the Government after all may have been making a fair job of a necessary function in time of crisis. The chief remaining complaint of the Formosans in connection with the arrests was that torture was used in the attempt to evoke confessions, and that trials were too long delayed. To do away with such methods in this area of the world was perhaps too much to expect, especially in such critical times.

Popular Elections

From the time the Island-wide elections for councilmen, district commissioners and mayors started in July 1950 until the last of November, there was every indication that the Government was sincere in its announced goal of instituting democratic, local self-government throughout the Province of Formosa. Native Formosans were particularly heartened by the results of the elections in 1950. Starting in December, however, KMT influence in several cases (notably in the Taipei and Keelung mayoralty races) in determining which candidates should be allowed to run was the signal for party influence which spread in December and January. Civil Affairs Commissioner YANG Chao-chia showed the first signs of discouragement in his

assignment of overseeing the elections. Like many observers, he admitted that it seemed as though the Government had undergone a change of heart with prospects of better fortune ahead, and had therefore decided to withdraw some concessions made in the "back-to-the-wall" days.

Expectation of United States Leadership

The local political scene was quiet at year's end, with all groups apparently expecting the United States to take the initiative in indicating the next step for Formosa in line with the needs of the Free Nations. There was widespread conviction that the military importance of Formosa was increasing, and that its psychological importance to the remaining Asian nations outside the Curtain, and to the mainland Chinese themselves, was being more clearly recognized. A natural result of this thinking was speculation concerning the probability of substantial United States military aid.

Virtually all politically conscious persons on the island wanted United States leadership and aid. Some of the most competent and conscientious Chinese, in and out of Government circles, wavered between fear that the United States was not fully aware of the remaining weaknesses in the Nationalist Government, and alarm lest the United States withhold aid largely because of these weaknesses. Material aid, technical training and advice, and a psychological boost from a show of friendship on the part of the United States were all desired in December, by the overwhelming majority of the various groups on Formosa. The desire for business-like control and supervision of these benefits was scarcely less universal, apparently even among a majority of those in the Chinese Government.

Alfred le S. Jenkins
Alfred le S. Jenkins
Second Secretary of Embassy

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