United States Relations with Chiang Kai-Shek, 1937-1949

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UNITED STATES RELATIONS
WITH CHIANG KAI-SHEK
1937-1949

being

A Thesis presented to the Graduate Faculty of the Fort Hays Kansas State College in partial fulfillment of the requirements for the Degree of Master of Arts

by

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UNITED STATES RELATIONS WITH CHIANG KAI-SHEK 1937-1949

by

Francis E. Jones

ABSTRACT

Chinese-American diplomatic relations for the period 1937-1949 developed into a very controversial subject. In considering this fact the questions arose as to what the American policy toward Chiang Kai-shek and the Nationalist government was and how that policy was implemented.

Through a study of available material it has been determined that the consistent American policy was to fully support Chiang Kai-shek and the Nationalist government. Chiang was the leader of the most stable faction within China and consequently gave promise of being able to serve American interests. For this reason he was selected as the agent with whom the United States would treat with in China.

During the years 1937-1949 the United States furnished Chiang Kai-shek's government a considerable amount of material and financial aid. Financial assistance was the dominant form of aid furnished because American neutrality laws precluded most other forms of assistance. In furnishing financial aid to China during this period President Franklin D. Roosevelt was forced to find ways to maneuver around the
the neutrality laws. After 1941, the United States was unable to furnish any large amounts of material assistance to China for the war in Europe consumed the larger portion of American production and during the war years, 1942-1945, aid given China was small compared to that sent to other Allied nations. Because of the comparatively small quantity of aid the United States could send to China, President Roosevelt developed the policy of bestowing "great power" status upon China despite British and Russian objections. In following the policy of supporting Chiang Kai-shek, President Roosevelt made concessions to Chiang in order to placate the Chinese leader, promote more cordial relations, and keep China in the war.

Opposition developed, during the late war years, among American officials to unqualified support of Chiang Kai-shek. Some American officials thought that Chiang was merely taking all of the American aid he could get, then conserving his forces for a future struggle with the Chinese Communists for control of China. There is evidence to support this viewpoint.

Going into the postwar years, 1945-1949, American policy was still inclined to support Chiang Kai-shek in his position of leadership. During this period American policy changed as the United States government came to favor a unified coalition Chinese government although retention of
Chiang Kai-shek as head of that government was still favored despite the fact that some American officials advocated dropping Chiang.

In an attempt to bring order into the chaotic internal conditions of China due to the civil war, the mission to China of General George C. Marshall was arranged. The Marshall Mission ultimately failed to bring about an agreement between the Nationalists and the Communists and the civil war continued. A final effort on the part of the United States to find some effective means of supporting Chiang Kai-shek and keeping him in power came in July, 1947, when the fact finding mission to China of General Albert C. Wedemeyer was arranged. His mission also failed to bring about any concrete results in regard to assisting Chiang Kai-shek. Recommendations in Wedemeyer's report, if followed, would have required a commitment of American troops far larger than the United States was willing to make. The American government was caught in a dilemma: a decision was necessary but the American people would not support sending large numbers of troops, Chiang would not follow American suggestions and Russia was a constant threat. Once again, America was "too late with too little" and the mainland was lost to Chiang and Chiang's value as America's agent in China was destroyed.
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PREFACE

Chinese-American relations for the years 1937-1949 have proven to be a very controversial subject. For many people the subject has provided an opportunity to criticize American policy and the ultimate failure of American efforts to keep Chiang Kai-shek in power on the China mainland.

However, it is not the purpose of this study to criticize American policy nor to find fault with any of the officials involved in carrying on diplomatic relations with Chiang Kai-shek's Nationalist Government. The intent is to make a study of Chinese-American relations for the years 1937-1949 with the purpose of determining what the policy of the United States was and how that policy was implemented.

Research was confined primarily to Foreign Relations of the United States, diaries, memoirs, and writings of officials involved. Also used were the Congressional hearings, Congressional Record, New York Times, and some periodicals.

Acknowledgement is made to Dr. Eugene R. Craine whose helpful suggestions and patient reading has helped immeasurably in the completion of this study. Also greatly appreciated was the assistance of Miss Margaret Van Ackeran and the staff of the Documents Department in locating some
of the material used in this study. Acknowledgment is also made to my sister-in-law, Mary Garrison Jones, for her patient work in typing the copies of this study.
CHAPTER I

PREWAR RELATIONS 1937-1941

This study of Chinese-American relations for the period of 1937-1941 must necessarily take into consideration the Open Door policy, as it was known and applied previous to the year 1937. Instituted by Secretary of State John Hay, in the Open Door Notes of 1899 and 1900, this policy meant the preservation of equal commercial opportunity and respect for the territorial integrity of China.¹

The original concept of the Open Door policy was expanded in 1931 when Secretary of State Henry L. Stimson, in the non-recognition doctrine, combined with the Open Door policy the concepts of non-recognition and non-intervention. These dealt specifically with Manchuria but were aimed at Japan and what was considered to be Japanese aggression in Manchuria.

Providing the circumstances of the time permitted a particular interpretation to be used, the Open Door policy meant whatever those applying it wanted it to mean. Thus, through the Open Door policy, the United States became a greater participant in Far Eastern affairs.

From 1937 to 1941 the Open Door policy developed two main tenets: The integrity of China and the equal treatment of all foreigners in China. The Open Door policy was, in actuality, a device to prevent other powers from taking over areas of China and excluding the United States from them.

In consideration of the preceding facts the United States relations with Chiang Kai-shek became significant from the point of view that he was to be the tool through which American policy was to be carried out in the ensuing years. The American government, and more specifically President Franklin Delano Roosevelt, displayed this attitude in a subsequent series of actions in the years after 1937. In previous years the United States recognized and upheld the government or faction that promised the stability that would best safeguard its own trade and investments. For this same reason President Chiang Kai-shek, as head of the Nationalist Government, was selected as the agent through which the United States would treat with China. That this was consistent with American policy may be seen in several incidents, such as the Tai-ping rebellion of 1848, and

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3 Ibid.
later, the fact that recognition was withheld from Chiang Kai-shek himself until it became apparent that the Kuomintang government would not collapse.

Additional evidence of American efforts to further the interests of the United States and to bolster the position and morale of Chiang Kai-shek and the Chinese was the attempt by President Roosevelt to bestow the status of a "great power" upon China, while at the same time recognizing that the chaotic internal conditions precluded this unless drastic changes were undertaken by Chiang Kai-shek and the Kuomintang. Possibly Roosevelt believed that the bestowing of "great power" status upon China would compensate for the limited amount of aid that would be given to her. The conferring of "great power" status and unqualified support of Chiang Kai-shek later created difficulties for the United States as did its insistence upon the Open Door policy. These difficulties became very apparent in Japanese-American relations in the period of 1937-1941.

The attitude of Japan and her intentions in regard to China were obvious to some people before 1937, and later events only confirmed their predictions and estimates. The Japanese move into North China served as a preview of events to come.

Norman Peffer writing in *Asia* stated that:

The area in which Japan is now paramount . . .
will be extended. . . . What now obtains in these provinces will then be true of a large part of North China. . . . what now may seem to be only minor infractions of the rights of other nations trading with China will then aggregate a major encroachment on the position of Western Powers. . . . In fact the beginning of the end of Western trade in China will have set in.4

Further Japanese actions indicated in a greater degree what their position was in regard to the Open Door in China. Despite the fact that they consistently maintained that they favored the Open Door and had no intention of violating it, in reality, they considered it an outmoded principle which they referred to as an "attempt to apply to the conditions of today and tomorrow inapplicable ideas and principles of the past."5 In areas of China under Japanese control the Open Door, in the sense of equal commercial opportunity, did not exist. The note of October 6, 1938, from the American government to the Japanese government clearly indicates that in the thinking of the United States the Japanese were not adhering to the principle of the Open Door.6

Other actions portraying the Japanese intent and


6Ibid., pp. 304-8.
aspirations included such things as the attack on the United States Gunboat Panay on December 12, 1937. This occurred on a clear day and under no circumstances could it have been considered an accident.\(^7\) This was followed at a later date by an attack on the U.S.S. Tutuilla and the dropping of bombs near the United States Embassy at Chungking which in itself could have been a very serious act. Another act of the Japanese intended as a means of exerting pressure on America in order to force them out of China was the bombing of American Missions and missionaries such as the event reported by Ambassador Nelson T. Johnson on October 26, 1938.\(^8\)

Carrying their actions further, on December 22, 1938, Prince Fumimaro Konoye, the Japanese Premier, formally announced that a "new order" had come into being: Japan, China, and Manchuria, he explained, would henceforth be united in economic cooperation and defense against Communism. This none too subtle inference meant, along with other

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\(^8\)U.S. Department of State, Press Release, October 29, 1938 (Washington: Government Printing Office, 1938), Vol. XIX, No. 474, p. 287. A message to Ambassador Johnson from Mr. A. Andahl, an American missionary at Tang-ho, Honan dated 7:20 P.M., October 26, 1938. The message stated that the wife and one daughter of Mr. Arthur E. Nyhus were wounded and another daughter killed in the bombing of Tungpeh, in which a flag marked building was deliberately destroyed. Mr. Nyhus was a member of the Lutheran Brethren Mission.
statements, that foreign nations would be excluded from trade and other enterprises within China in areas under Japanese control.9

Japanese interference with American rights, as stipulated under the Nine-Power Treaty, and interference with what was considered equality of opportunity by the United States increased steadily after 1937 as larger areas came under Japanese control and Japan was able to exercise a firmer grip on the areas she had conquered. These issues were taken up with the Japanese government through American diplomatic channels. The extent and the means by which Japan was eliminating American interests in China were clearly shown in two notes presented to the Japanese Minister for Foreign Affairs, Fumimaro Konoye, October 6, 1938, and on December 31, 1938, to Hachiro Arita.

A significant feature of the two notes and the events preceding them is their reflection of the attitude of the United States in regard to the Chinese government and Chiang Kai-shek. The fact that the matters were taken up with the Japanese government is a recognition of actual conditions at that time. Chiang Kai-shek and the government of China were too weak or too incompetent to safeguard foreign interests

in China, this was shown by the fact that the Japanese were able to overrun so much Chinese territory. At the same time the refusal of the United States to recognize the governments that the Japanese set up in the conquered territories as legal governments indicates that the United States was supporting the Chiang Kai-shek government as strongly as circumstances of the moment would allow, since at this time the United States was still controlled by isolationist sentiment and influence. The isolationist attitude in the United States prevented the American government from taking any stronger stand in support of the Nationalist Government.

American reaction to the Japanese as they effected the Open Door in China was, as previously mentioned, just to make representation to the Japanese government. Secondarily, realizing the weakness of the Chiang Kai-shek government, American officials took steps to protect American lives and property in China. Whenever and wherever situations of danger developed American citizens were advised to withdraw and assistance and means for doing this were furnished.\(^10\)

In keeping with American policy in this regard, when the Japanese gave notice that they intended to attack the Chinese forces near Kuling, February, 1939, an American

gunboat and an officer of the American Consulate General at Hankow were sent to assist in the withdrawal from Kuling to Kiukiang.\textsuperscript{11} Further indication of American policy in regard to removing nationals from danger areas came with the commencement of hostilities around Sian. In this instance the American government gave notice to Ambassador Nelson T. Johnson in China that the American government was willing to stand the expense in removing American nationals by air if air evacuation was thought necessary in order to protect American lives.\textsuperscript{12}

Protection of American property in China also demanded the attention of the American government following the beginning of the Chinese-Japanese conflict in 1937. For this purpose, as well as to protect American citizens, the United States kept detachments of the armed forces in various places in China under the provisions of the Boxer Protocol of 1901. Stated officially the purpose of maintaining troops in China was "to contribute to the protection of American nationals (including diplomatic personnel) and in case of emergency calling for their evacuation, making


available an armed escort."\(^{13}\) Carrying out this purpose American detachments were located at three points, Peiping, Tientsin, and Shanghai. This practice of the American government could only be recognized as another indication that it regarded the Chiang Kai-shek government as too weak and incompetent to provide adequate protection for foreign nationals within China, although it continued to support Chiang Kai-shek as the only available instrument in carrying out American policy and attempting to preserve American interests in China.

Orientation of American policy in support of China essentially stemmed from Secretary of State Cordell Hull's ideas and frame of mind. It is clear that on his assumption of the office of Secretary of State, Hull possessed definite convictions relevant to China and the Far East for he has stated:

> As I entered the State Department I had two points on the Far East firmly in mind. One was the definite interest the United States had in maintaining the independence of China and in preventing Japan from an equally definite conviction that Japan had no intention whatever of abiding by treaties but would regulate her conduct by the opportunities of the moment.\(^{14}\)

Later Japanese actions closely followed the concept

\(^{13}\)Jones, *Doc.*, p. 186.

as expressed in Secretary Hull's second point. American re-
actions to the flagrant Japanese disregard of American
rights, in addition to such acts as taking over Hainan and
the Spratly Islands, launched some discussion of retaliation
against Japan. Ambassador Nelson T. Johnson at Chungking was
among those who favored the American government taking strong-
er action.\textsuperscript{15} However, the prevailing opinion was that the
time had not come for such a policy.

In 1937 Congress and the American people regarded
American interests in China as too trivial to risk war with
Japan. Evidence of this was presented in American reaction
to the sinking of the Panay. "The apathy and lack of spirit
in response . . . testified to the disinterest in Asia."\textsuperscript{16}
However, the prompt apology and payment of an indemnity by
the Japanese government contributed a great deal toward
eliminating any lasting American concern over the sinking of
the Panay.

Chiang Kai-shek expressed his feelings relevant to
the Japanese incursions into China and their effect on the
Open Door by appealing to the League of Nations for sanctions

\textsuperscript{15}William L. Langer and S. Gleason, \textit{The Challenge to
Isolation, 1937-1940} (New York: Harper and Brothers, 1952),
p. 52.

\textsuperscript{16}Robert A. Goldwin, Ralph Lerner, and Gerald Stourz,
(eds), \textit{Readings in American Foreign Policy} (New York: Oxford
against Japan and inquiring whether the United States would be willing to take parallel action with the League. America's and the League's response to the Chinese was such as to make their efforts futile. The League of Nations refused to adopt a resolution, and the United States was unwilling to declare sanctions.¹⁷

The Brussels conference, November 3rd to 24th, 1937, had the same negative results. All of the participants in the conference, members of the League and parties to the Nine-Power Treaty, refused to take any action against Japan or to give any aid to China unless the United States would take some positive action.¹⁸ This the American government was unwilling to do. The nations of the world had received some hope that the United States might be willing to undertake some form of action against Japan, for just before the conference convened, President Roosevelt had delivered his "quarantine" address at Chicago on October 5, 1937, in which he called for collective action against aggressor nations. Public reaction to this speech, a nation wide protest from Democrats as well as Republicans, quickly made the President retract any thoughts along such lines at that time.


Supporters of economic sanctions against Japan received little encouragement until 1938. Application of the so-called "moral embargo" was the first official achievement of this group. Additional impetus was given to the concept of economic sanctions by the decision of the American government to terminate in 1939 the commercial treaty with Japan.

Following the termination of the commercial treaty events drawing China and America closer together moved rapidly resulting in greater aid and benefits to the Chiang Kai-shek government. Japanese-American relations had declined to the point where, by July, 1941, the United States was ready to take drastic measures. On July, 26, President Roosevelt issued an order freezing Japanese assets in the United States thereby cutting off all Japanese trade.

American relations with Japan continued to deteriorate until the fateful day of November 26, 1941, when Secretary Hull, with the approval of President Roosevelt, handed the Japanese representative the memo which terminated diplomatic relations. The Japanese did not accept the terms of the American note for they would have had to relinquish territory acquired through several years of warfare.


20Ibid., pp. 421-22.
Previous to the delivery of the fateful note of November 26, 1941, the American government was giving consideration to the idea of a truce or temporary agreement or more properly phrased, a *modus vivendi*. Led by Chinese Ambassador, Dr. Hu Shih, Chinese diplomatic and special agents violently objected and virtually bombarded Secretary Hull and the American government with a storm of protests against any such possible arrangement as a *modus vivendi*. In addition to these activities Chiang Kai-shek personally protested the proposed American plan for a temporary agreement. As confirmed by Secretary of State Hull, Chiang "sent numerous hysterical cable messages to different cabinet officers and other high officials in the government other than the State Department sometimes ignoring the President. ..." Relative to this situation and other similar conditions Chiang Kai-shek kept his brother-in-law, T. V. Soong, in Washington to pry and meddle in government affairs and to acquire as much as possible for China in the way of aid.

Secretary Hull, after conversations with President Roosevelt on November 25, 1941, suddenly and completely dropped the idea of a *modus vivendi* and gave Soburo Kurusu


22Ibid.
and the Japanese Ambassador Admiral Kichisoburo Nomura the note of November 26 which the Japanese considered an ultimatum and to which they answered by the attack on Pearl Harbor.23

The following note, dated November 25, 1941, from Owen Lattimore, an American political advisor to Chiang Kai-shek, explains Secretary Hull's sudden decision to abandon attempts to work out a temporary agreement with Japan.

After discussion with the Generalissimo... I feel you should urgently advise the President of the Generalissimo's very strong reaction. I have never seen him really agitated before. Loosening of the economic pressure or unfreezing would dangerously increase Japan's military advantage in China. A relaxation of American pressure while Japan has its forces in China would dismay the Chinese. Any \"modus vivendi\" now arrived at with Japan would be disastrous to Chinese belief in America and analogous to the closing of the Burma Road, which permanently destroyed British prestige. Japanese and Chinese defeatists would instantly exploit the resulting disillusionment and urge oriental solidarity against occidental treachery. It is doubtful whether either past assistance or increasing aid could compensate for the feeling of being deserted at this hour. The Generalissimo has deep confidence in the President's fidelity to his consistent policy but I must warn you that even the Generalissimo questions his ability to hold the situation together if the Chinese national trust in America is undermined by reports of Japan's escaping military defeat by diplomatic victory.24


In Chinese-American relations prior to 1941 the Neutrality laws and their revision and repeal became significant in considering the support of China and Chiang Kai-shek. The first neutrality act was passed in the House of Representatives on August 23, 1935, and had been passed just two days previously in the Senate, where it was known as Senate Joint Resolution 173. The Act passed both houses of Congress by unanimous votes, reflecting the strong isolationist attitude of the American people and Congress.  

This act and the subsequent Act of 1937 were "designed to forestall a repetition of such a calamity as World War I."

What they accomplished in fact was to establish a rigid government control over the shipment of munitions abroad in addition to prohibiting the export of arms to belligerent nations, as well as forbidding private loans or credit to nations at war. They also authorized the President to forbid travel by Americans on the ships of nations at war.  

Speaking in behalf of the neutrality legislation,

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27 Ibid.
isolationist Senators Gerald P. Nye of North Dakota, Homer T. Bone of Washington, and Bennet Champ Clark of Missouri expressed the opinion that:

... the munitions interests whose profits the stay-out-of-war legislation seriously affects, and those who wish us to act as policemen for the world, oppose the neutrality law. The passage of that law had the overwhelming support of the people for the very reason that it protected the country against war for the sake of profits for a few individuals, and prevented the government from forcing the country into the role of world policemen. 28

The provision within the neutrality law permitting the President to proclaim when a state of war existed allowed the Chinese to get the badly needed ammunition and other supplies from the United States during the early stages of the Chinese-Japanese conflict. This was possible because President Roosevelt refrained from issuing the proclamation in 1937. Such a course of action was possible only because both the Chinese and Japanese governments also refrained from issuing a declaration of war because of their fear that the war materials they were receiving from the United States would be halted due to the provisions of the Neutrality law. 29

Other means of getting war supplies to China were

28 Congressional Record, 75th Cong., 1st Sess., p. 2187.
also resorted to as the case of the S.S. Wichita illustrates. Following the Japanese occupation of Tientsin and the blockading of the East Coast of China in August, 1937, President Roosevelt stopped the transporting of war materials to China in government owned ships. Only a short time after the S.S. Wichita was stopped, while en route to China, the planes on board were delivered to China through the British by way of Hong Kong. Thus, in spite of the neutrality laws the United States found ways of aiding and supporting China and Chiang Kai-shek. Due to the fact that Japan was increasingly becoming a threat to American interests in China and elsewhere in the Far East such actions became an integral part of American policy for any means of giving aid was acceptable that was detrimental to Japan and beneficial to the United States.

The provisions of the Neutrality law of 1937 greatly hampered the American effort to provide supplies of war material to the allied nations as the conflict in the Far East and in Europe reached its advanced stages during 1939. Consequently, President Roosevelt sought revision of the 1937 Act, especially the removal of the embargo on arms shipments.

Speaking out in support of his desire for revision of the 1937 Act and removal of the arms embargo, the President in a message to a special session of Congress on September 21, 1939, stated:

The enactment of the embargo provisions did more than merely reverse our traditional policy... it gave a definite advantage to one belligerent against another, not through his own strength or geographic position, but through an affirmative act of ours. Removal of the embargo is merely reverting to the sounder international practice, and pursuing in time of war as in time of peace our ordinary trade policies...31

From this it is clearly evident that the President wanted the neutrality restrictions loosened in order to have greater freedom in providing war supplies to other nations in line with American policy as he was attempting to develop it.

The later act or legislative bill which became the Neutrality Act of 1939 was, for the most part, written by Senator Key Pittman, Chairman of the Senate Foreign Relations Committee. Among those supporting the drive for repeal of the embargo in neutrality legislation were the American Union for Concerted Peace Efforts (composed of the representatives of such organizations as the League of Nations Association, the World Alliance for the International Friendship through the Churches, the Institute of Interna-

31Congressional Record, 77th Cong., 1st Sess., p. 8023.
tional Education, The American Youth Congress, and the General Federation of Women's Clubs) and the Non-Partisan Committee for Peace Through Revision of the Neutrality Law, of which William Allen White assumed the chairmanship.

Strenuously opposing a move to repeal or revise the existing neutrality legislation were such organizations as the Anti-War Mobilization, The Women's International League for Peace, the National Council for the Prevention of War, the Keep America Out of War Congress, and World Peaceways.

The Neutrality Act of 1939, as finally passed, largely continued the provisions of the Act of 1937, including the "cash and carry" provisions. Further action on repeal of embargo provisions had to wait until 1941, when isolationist influence had declined to a point where Congressional action along these lines could be taken. Until this was achieved, President Roosevelt consistently urged that such action was needed and necessary.

Even with its restrictions it was unlikely that the Act of 1939 would have to be invoked unless the President or Congress found that when war actually broke out it was

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33 Ibid.

necessary in order to promote the security or preserve the peace of the United States. This provision was a compromise in the struggle between Congress and the President over the extent of executive discretion in determining whether and when to put neutrality legislation into effect.35

Other legislation which was intended to prevent American participation in the international fracas included the Johnson Act which was passed for the purpose of preventing private loans to belligerent nations. This bit of legislation resulted from the misconception created by the Nye Committee report on World War I. Consequently, the various forms of neutrality legislation passed and put into operation forced President Roosevelt and the American government to find means outside the neutrality laws to provide aid to Chiang Kai-shek. Even though this support was limited and was intended only to keep the Chiang Kai-shek government from collapsing, it did serve to implement American policy and indicated the American government's recognition of the necessity of maintaining Chiang Kai-shek to serve American interests. Such was the American position in carrying out unneutral acts in contradiction of American neutrality legislation.

Additional American efforts to assist China led to the formation and rather unique position of the American Volunteer Group (AVG) in China. Their very presence in China before the Japanese-American conflict began was a violation, or at least a contradiction, of a previously submitted official statement given to the Japanese Foreign Office in 1937. This message stated that the American government would do everything within its legal power to discourage or deter Americans from fighting in foreign services, meaning of course Chinese. The extent of the contradiction is apparent in the manner in which the American Volunteer Group (AVG) was formed.

Claire L. Chennault, who later became commander of the American Volunteer Group, had gone to China at the outbreak of the Chinese-Japanese conflict and became an officer in the Chinese Air Force. In addition the Chinese had been discussing with two other Americans, Mr. William D. Pawley and Lt. Commander Bruce Leighton (U.S.N.R.-Retired), the possibility of using their influence and business organizations in placing American air power in China. Pawley's


37 Charles F. Romanus and Riley Sunderland, Stilwell's Mission to China (Washington: Government Printing Office,
position as Vice-President of Curtis-Wright Corporation and owner of the Central Aircraft Manufacturing Company, which had been making planes for the Chinese government in its factory at Loiwing, China, contributed to the feasibility of the plan. Added impetus was given to the project of placing an American air group in China when on October 18, 1940, Chiang Kai-shek took his problems to Ambassador Nelson T. Johnson. Reasons for Chiang Kai-shek's concern, over China's lack of air power, were that the Japanese blockade had weakened China considerably and the Russian-German non-aggression pact had stopped assistance from Russia. Chiang Kai-shek was afraid the Japanese would take Singapore or cut the Burma Road, consequently, he thought that before this happened China had to have economic aid as well as planes manned by American volunteers to prevent the collapse of Chinese resistance.

Early in 1941, the American government approved a plan which permitted American fighter planes piloted by volunteer American pilots and maintained by American ground crews to fight against Japan in the service of China.39

38 Clare Booth, "AVG Ends its Famous Career," Life (July 20, 1942), p. 2.

The American group became a unit of China's armed forces by an order issued by Chiang Kai-shek dated August 1, 1941.\textsuperscript{40} This brought up the question of the group's status. In view of the circumstances and the situation at that time it became apparent that they were then out of the jurisdiction of the government of the United States. Under these circumstances they were completely dependent upon the mercy of the Japanese if they were captured. Technically the American government could not even protest if any of the pilots received ill treatment if captured or forced down by the Japanese.

Although the American Volunteer Group was not supported by lend-lease in the formative stage, lend-lease money was used at a later date to purchase supplies. The first lend-lease money used was for spare parts and was granted as a result of Chennault's request of November, 1941.\textsuperscript{41} The conclusion to the era of the American Volunteer Group came in July, 1942 when it was attached to the United States Tenth Air Force, which had units in both India and China. In March, 1943, the Tenth Air Force in China was succeeded by the Fourteenth.

\textsuperscript{40}Ibid.

Operations of the American Volunteer Group in China bring into view another aspect of Chinese-American relations, that of loans to China. The first thirty-six planes for China were paid for by the Universal Trading Corporation in a cash sale amounting to $8,900,000. This agency had received, through the Export-Import Bank, one of the earlier loans from the United States to China. Such action reveals the method by which the American government extended loans to China. The Johnson Act prohibited large private loans to nations at war; however, the American government adopted the attitude that there was nothing in the law to prevent the Federal Government from making such loans through government agencies such as the Export-Import Bank or the Reconstruction Finance Corporation. Earlier American loans to China were not as large as later loans, and loans through the Export-Import Bank, at least in part, were to be repaid. Financial assistance to China was thus complicated by American laws and the Chinese government's acute financial situation and inability to repay loans. This situation prevailed until December 1, 1940 when actual outright grants of loans and credits for military aid were given to Chiang Kai-shek's government.

42 Ibid.
In 1934, the United States began a silver purchase program which had a drastic effect on the Chinese economy owing to the large amounts of silver smuggled out of China. To remedy this, Treasury Secretary, Henry Morgenthau, Jr., manipulated the silver purchase program so that it would be a direct aid to China. He accomplished this by paying the Nationalist government gold or United States dollars for five hundred million ounces of silver. In the period 1937-1939, one hundred eighty four million dollars were paid on this account.44

Following the silver purchase arrangement there was an agreement of July, 1937, with the Central Bank of China in which the Secretary of the Treasury agreed to purchase Chinese Yuan up to an amount equivalent to fifty million dollars.45 The July, 1937, agreement was followed by a similar one in April, 1941.46 Stabilizing the Chinese currency was the purpose of these agreements.

After 1937 the increasingly aggressive actions of the Japanese forced the United States to face the alternatives of either imposing economic sanctions on Japan or supplying

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46Ibid.
economic aid to China. Economic aid for China was the plan adopted, in part, as a result of increasingly insistent appeals from Chiang Kai-shek for American aid. Responding to Chiang's requests, President Roosevelt requested Secretary of the Treasury Morgenthau "to do everything he could within legal limits." Secretary Morgenthau diligently set about doing this with the result which some writers in the American press referred to as a series of discriminatory loans to China. The meaning was that every loan given to the Chiang Kai-shek government was intended as a counter measure or counter action against a previous or contemplated Japanese action.

First of the series of loans was a credit of $25,000,000 extended through the Reconstruction Finance Corporation to the Chinese Nationalist government on December 15, 1938. The loan itself resulted from requests for more aid by the Chinese government which began in July, 1938, and became more insistent. In September, 1938, a special mission was sent by Chiang Kai-shek to Treasury Secretary Morgenthau in the hopes of completing the loan arrangement.

47 Langer, Challenge to Isolation, p. 44.
49 Langer, Challenge to Isolation, p. 44.
Loan arrangements were completed against the advice of Secretary of State Cordell Hull, who maintained the Japanese would interpret the loan as something more than a commercial transaction and would think that its intent was to aid China in military resistance against Japan.\footnote{50}{Grew, Turbulent Era, Vol. II, p. 1208.}

Secretary Hull's opinion in regard to the Japanese reaction was borne out as indicated in a report from Ambassador Joseph C. Grew in Tokyo which stated:

With regard to the credit of $25,000,000 extended through the Reconstruction Finance Corporation to the Chinese National Government, the Foreign Minister (Japanese) said to the foreign press correspondents on December 19, 1938, that such reported loans will necessarily prolong the hostilities to the consequent embarrassment and inconvenience of foreign nationals; that this is a regrettable act on the part of the United States which has hitherto acted with discretion and understanding in Chinese affairs; and if it is a political gesture of the United States toward Japan, Arita thinks there will be "nothing more dangerous." The Japanese people he said, may consider that the present loan is really intended as economic pressure by a powerful economic unit, and its results will prove quite the contrary to what is expected in America. . . .\footnote{51}{Langer, Challenge to Isolation, Vol. II, pp. 44-5.}

The loan was tempered to offset Japanese offense by including in its provisions that the funds could not be used to buy arms and munitions, although they could be used to purchase other war supplies badly needed by Chiang Kai-shek
at that time.\textsuperscript{52}

As events moved on into 1939, the European war cancelled Chinese hopes for aid from friendly nations in that area. In realization of this the Chinese again turned to the United States. Again in line with American policy of aiding the Chiang Kai-shek government, but not to the extent of intervention, two loans of $45,000,000 were granted to the Chinese owned Universal Trading Corporation through the Export-Import Bank.\textsuperscript{53} The loan provisions stipulated that use was to be restricted to purchases of civilian supplies.

In 1940, T. V. Soong came to the United States to ask for arms and more credit. International circumstances were in his favor for a successful loan negotiation at that time. Japanese-American relations were rapidly declining and German successes in Western Europe revealed approaching danger for the United States. As a result another loan of $20,000,000 was granted to the Nationalist government in March, 1940.\textsuperscript{54}

This loan was followed on September 25, 1940, by


\textsuperscript{54}Drummond, \textit{The Passing of American Neutrality}, p. 137.
another of $25,000,000 for currency stabilization.55 Viewing the train of events in the Far East at that particular time, the significance of the loan to China has another meaning as it came after the occupation of northern Indo-China by Japanese troops and the issuance of Ambassador Grew's "green light" message recommending more stringent economic measures. In addition, the loan was succeeded the following day by an embargo on the export of all scrap iron and steel to Japan by order of President Roosevelt.56

Continuing their requests for aid, the Chinese issued another plea in October, 1940, for arms and equipment.57 None of the previous loans permitted the purchase of arms for the Chiang Kai-shek government. A further incentive for the Chinese to strive for the securing of a loan to buy arms was that the Japanese occupation of Northern Indo-China had closed the Yunnan-Indo-China Railway, leaving the Burma Road as China's only connection to the outside world.

Yielding to Chinese insistence, and even more to Japanese actions, the United States early in December, 1940, approved a loan of $100,000,000.58 Half of the loan, the

55Ibid., p. 175.
56Ibid.
part extended through the Export-Import Bank, went to finance immediate purchases of necessary war materials in the United States. The other $50,000,000 came from the Treasury Department's stabilization fund and was used to support the Chinese currency. Allowing twenty-five per cent of the loan to be used to purchase arms for China, the United States took the first step in the move toward furnishing military aid for the government of Chiang Kai-shek, although it was furnished later on a much larger scale.59

Reviewing the series of loans to China it is obvious that the dominant form of American assistance was financial. This program was continued from 1942, with the $500,000,000 credit extension on into and after the war years, with continuing American financial, material, and technical aid.

But in reconsidering the China loans of 1940, it is their timing that gives them political significance. The first coincided with the establishment of the Nanking puppet government; the second was made on the eve of Japan's joining the Axis; and the third was announced on the day of Tokyo's official recognition of the Wang Ching-wei regime.60 Thus, each was considered as a countermove against Japan

59 Romanus, Stilwell's Mission to China, p. 11.

with the hope that each loan would strengthen and encourage the Kuomintang government to keep up Chinese resistance to Japan, which was, of course, in the best interests of the United States.

An interesting sidelight in regard to the loans granted to China was the Congressional attitude against anything which might involve the United States in a war and the full recognition of this aspect by President Roosevelt. Being fully aware that the attitude in Congress would prevent passage of any measure for assistance to China he did not work out a plan for aiding China and seek the approval of Congress and the public. Instead the President resorted to other means of giving aid to China by maneuvering around the existing neutrality legislation.

Aside from the loans to China, which were merely an instrumental part of American policy, there was some aid given to China out of purely benevolent and altruistic motives. Such was the United China Relief. In this the American public found a way of expressing its sympathetic attitude. A contribution of $1,250,000 was given in 1940 and approximately twice this amount was given in 1941. 61 This conscientious response was mainly due to the energetic work of such individuals as Pearl Buck and others with a sincere

61Ibid., p. 223.
interest in China.
CHAPTER II

WAR RELATIONS

Relations between Chiang Kai-shek and the United States during the years 1942-1945 were concerned primarily with events in the area which came to be known as the China-Burma-India theater (CBI) of operations. The establishment of the CBI involved a considerable amount of difficulty, confusion, and misunderstanding between the United States and China.

Despite the difficulties and confusion in Chinese-American relations of this period, the overall policy of the United States in regard to China remained consistent with that of previous years. This policy was one of using China to serve the interests of the United States and of making use of Chiang Kai-shek as the agent to deal with when a representative of China was necessary. However, Chiang Kai-shek himself presented difficulties for the United States in attempting to implement its policy through the years. This became quite apparent as events began to unravel in the Far East during the war years and concessions of one form or another were made to Chiang Kai-shek in an effort to uphold and retain him as a necessary agent with whom the United States could deal.

American military aid was sent to China, as
represented by Chiang Kai-shek and the Chinese Nationalists, as early as 1941. This came as a result of the declining world situation and the requests of the Chinese government. Such a request was that presented by Mao Pang-Tzo on November 25, 1940, to the President's Liaison Committee, the civilian agency co-ordinating foreign arms purchases in the United States. The request was for combat planes, parts, and crews.¹

The difficulties that arose in processing Chinese requests for arms made it apparent that some action was necessary to improve the handling of lend-lease to China. This was so because the Chinese requests usually did not contain complete data or other necessary information.² As a result of these conditions General George C. Marshall, American Army Chief of Staff, approved on July 3, 1941, the American Military Mission to China which was referred to as AMMISCA. In August, 1941, this military mission, commanded by Brigadier General John Magruder, undertook the problem of helping the Chiang Kai-shek government in carrying out the provisions of the lend-lease agreement and improving the

²Ibid., pp. 27-28.
efficiency of the program.\textsuperscript{3} Diplomatically, the sending of this military mission to China was considered as a warning to Japan in the same manner as similar measures were which at that time were being carried out by the United States.\textsuperscript{4} Shortly after this an air mission under Brigadier General Henry B. Clagget was sent to China.

An additional move to strengthen and assist the Chinese came when, on the advice of Brigadier General Clagget, a program was set up whereby Chinese pilots were trained in the United States. The first group trained under this program arrived in the United States in October, 1941.\textsuperscript{5}

Within the realm of military aid to the Chiang Kai-shek government there arose some of the bitterest controversies to appear up to that time in Chinese-American relations. The most prominent of these disagreements involved General Joseph Stilwell and Chiang Kai-shek. Intermixed with the disagreement between these two commanders was also a serious disagreement between General Stilwell and Brigadier General Claire L. Chennault, Commander of American Air


forces in China.

In an effort to preserve the workings of the overall American policy in regard to China, President Roosevelt made concessions to Chiang Kai-shek and sacrificed the able leadership of General Stilwell to placate the obstinate Chinese leader.

General Stilwell, in an attempt to attain his central military objective, which was to strengthen the Chinese armies and bring their force to bear on the Japanese in Asia, ran counter to the ideas of Chiang Kai-shek on various points. To help in carrying out his plans Stilwell favored arming the Chinese Communist forces and using them against the Japanese, a step that Chiang would not approve.7

Stilwell also wanted to reduce the size of the Chinese army, cutting it down to a smaller but better trained cohesive unit which could be used more effectively against the Japanese. This also was not acceptable to Chiang Kai-shek. Favored as well by Stilwell was a plan to unify the Chinese and American forces under his command in order to carry out a more effective deployment of troops. As usual this did not


meet with the approval of the Chinese leader.

The rift was widened by the dispute between Stilwell and General Chennault. Their difference of opinion resulted from the desire of Chennault to use the tonnage being flown into China over the "hump" to build up and strengthen the air units in China. Stilwell insisted that the air units would not be as effective against the Japanese as well trained and equipped ground units. For this reason Stilwell wanted the tonnage to be used to equip and supply his ground forces in China and Burma. In the ensuing controversy Chiang Kai-shek sided with General Chennault. The issue was eventually decided by President Roosevelt who favored the ideas of General Chennault. President Roosevelt's decision was, in part, due to the fact that the Chennault viewpoint received a more favorable hearing in Washington. This was because Chennault's aid-de-camp, Captain Joseph Alsop, was a cousin of the President as well as a close friend of T. V. Soong.⁸ Captain Alsop also knew Harry Hopkins, one of the President's advisors, as well as many other influential persons in Washington and elsewhere as a result of his days as a Washington political columnist.

Eventually the Chiang Kai-shek-Stilwell controversy

was closed when Major General George E. Stratemeyer succeeded Chennault and General Stilwell was replaced with General Albert C. Wedemeyer and brought back to the United States. The significant feature of these actions, which in actuality were concessions to Chiang, is that they were intended to placate the Chinese leader, bolster his position, and keep China in the war.

A New York Times report on the Stilwell controversy implied that the single-minded concern of Chiang Kai-shek on the issues involved had nothing to do with the war with Japan but that:

The Generalissimo and his staff like the U.S. Air Force, which they get free and which asks for nothing except food and airfields, which we equip with buildings and installations. But the Chinese Government hedges and hesitates over everything involving the use of its armies. Foreigners can only conclude that the Chinese Government wants to save its armies to secure its political power after the war. 9

Lend-lease aid extended to China under the Act of March 11, 1941, became more important and useful to the Chinese than any of the loans of previous years. The beginning of the lend-lease came when President Roosevelt announced in late 1940 a plan to eliminate the dollar sign from aid to the Allies. 10

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9 New York Times, October 31, 1944, p. 4.
China the President made use of the occasion to make a somewhat dramatic gesture to China and Chiang Kai-shek with his statement, "China... expressed the magnificent will of millions of people... China, through the Generalissimo, has asked our help. America has said China shall have our help." This apparently was an effort to raise the declining morale of the Chinese nation.

Extension of lend-lease to China becomes more significant after considering the Far Eastern situation at that time. The Japanese had moved into Northern Indo-China in September, 1940; and by July, 1941, they were taking over Southern Indo-China. Thus, it would be favorable to American interests if the Chinese maintained active military operations and in this way functioned as a deterrent to extension of Japanese military operations on south.

Even though lend-lease to China occasioned dramatic statements by President Roosevelt and courteous replies by Chiang Kai-shek, very little equipment and material reached China as compared to the amount sent to other allied nations. Fully aware of this fact, American officials were highly sympathetic to a request from the Generalissimo for a five hundred million dollar loan; and on March 26, 1942,

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the United States and Chiang signed an agreement establishing the $500,000,000 as a credit in the name of the Chinese government. This loan to China was intended to compensate for the fact that at that time the United States was not able to furnish anything of greater military value to the Chinese. The loan, however, would show that America wanted to help China as much as possible. Such practices as this in handling relations with China came to be referred to by American diplomats as enlightened self-interest.

During the wartime relations with China the insistence of the United States in bestowing great power status on China in order to retain Chinese friendship while at the same time relegating the Nationalist government to a minor role became most conspicuous in the international top level conferences which were held by the Allied war leaders during the years of the great conflict. Of all these conferences which took place, Chiang Kai-shek himself was present at only one of them, the conference at Cairo on November 22-26, 1943. A representative of China participated at only two of the others, the First Quebec Conference of August, 1943, and the Moscow Conference in October, 1943.

Absence of Nationalist Chinese delegates at the

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conferences was explained in as subtle a manner as possible. At the Atlantic Conference of August, 1941, President Roosevelt and Prime Minister Winston Churchill met and drew up the Atlantic Charter. Absence of a Chinese representative was explained away as being due to the fact that the United States was not at war and the problems discussed were of concern only to Britain and the United States. When the Casablanca Conference convened in January, 1943, China was not at war with Germany and so could not properly enter into an over-all discussion of full military strategy looking to the conquest of the Axis powers in both hemispheres.13

With the convening of the First Quebec Conference of August, 1943, a representative of the Chinese government was present for the first time at the high level meetings with T. V. Soong, the Chinese representative. The main points of discussion at this conference concerned the Italian surrender and the establishment of an international organization. This explains the presence of Soong, for Chinese participation involving deliberation on an international organization would appeal to the Chinese and was in line with American insistence on conferring great power status on China. Also, there were no other points of discussion.

13Congressional Record, 78th Congress, 1st Session, p. 758.
involved in the conference in which the presence of a Chinese representative might interfere. Another of the conferences in which the Chinese participated was the Moscow Conference of October, 1943, in which the Chinese were permitted to sign the Joint Four Power Declaration although this came over Russian objection.14

Not until the Cairo Conference of November, 1943, did Chiang Kai-shek participate in a conference with the major allied nations. At this conference President Roosevelt and Winston Churchill met with the Chinese leader, but Joseph Stalin did not take part in the meeting with the Generalissimo. At Cairo Chiang was promised that all territories Japan had taken from China would be restored and that the Allies would conduct an amphibious operation in the Bay of Bengal as part of the Burma campaign which would open the supply line to China.15 However, the promises given Chiang at Cairo were not fulfilled. The commitments to China were changed shortly thereafter, for following the meeting at Cairo, President Roosevelt went on to Teheran to meet with Joseph Stalin. Following Teheran and a second meeting at


Cairo the plans developed in the first Cairo Conference for a campaign in Burma and greater aid to China were cancelled in favor of concentrating on the war in Europe.

At the Yalta Conference of February, 1945, the tendency of the United States to use China to serve American interests became more obvious than ever. During this conference President Roosevelt agreed to grant Stalin his demands for the Kurile Islands, the southern half of Sakhalin Island, internationalization of the Port of Dairen, the Lease of Port Arthur, and joint Russo-Chinese operation of the Chinese Eastern and South Manchurian railroads. In addition the United States was to use its influence to have China agree to that part affecting China's territory.

Thus, in the interests of the United States, President Roosevelt, in order to shorten the war against Japan, bargained away the rights and territory of China in return for Soviet participation in the war against the Japanese. Chiang Kai-shek, being involved in a war against the Japanese and, more important to him, a war against the Chinese Communists, was in no position to disagree too strongly.

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when the agreement was eventually presented to him at Chungking on June 15, 1945. The failure to notify Chiang Kai-shek of the Yalta agreement, according to Robert E. Sherwood, was due to the fear of the security of secrets in Chungking. 18

The American ambassadors to China, along with the other officials involved with carrying out American policy in China, were having their difficulties in coping with the problems in the complex China situation. Following the resignation of Ambassador Nelson T. Johnson in May, 1941, the post was taken over by Clarence E. Gauss. Gauss carried on the post as American Ambassador to China attempting to handle the problems involved in Chinese-American relations until, in disgust, he resigned in November, 1941. The resignation of Gauss came as a result of the recall of General Joseph Stilwell. As reported by the New York Times, Mr. Gauss had long been an advocate of a "strong" policy in China. 19 Like General Stilwell, Gauss believed that the United States should attach some definite qualifications to the aid which was being given to Chiang Kai-shek. The purpose of any such qualifications attached to the aid to China would have been to get the Chinese leader to be a little


more willing to use his large armies against the Japanese instead of just getting the American aid and then holding back his armies for the future struggle with the Chinese Communists.

Also involved in the complicated matter of carrying on United States relations with the Chiang Kai-shek government was the controversial figure of Major General Patrick J. Hurley. Hurley received his appointment as personal representative of President Roosevelt to China on August 18, 1944, and arrived in Chungking on September 6, 1944. When Gauss resigned as Ambassador to China on November 1, 1944, Hurley was nominated to fill the position on November 30, 1944, and was appointed Ambassador in December. 20

Hurley's appearance and his actions while there indicate that the United States was following its traditional policy which was to uphold Chiang Kai-shek. While in China, first as the President's personal representative and later as Ambassador to China, Hurley became involved in the complex and controversial matter of trying to unify the factions in China into a cohesive unit of government. This involved negotiations with the Chinese Communists, Chiang Kai-shek, and independent Chinese groups. In this endeavor Hurley steadfastly supported Chiang Kai-shek while at the

same time thinking he could bring the Communists and the Kuomintang together on mutually agreeable terms. Under the circumstances this was not possible as neither group would make any actual concessions to the other.

Evidence of the widely divergent ideas of the Communist and Kuomintang groups was first presented to Hurley soon after the negotiations began. To start the negotiations Hurley went to Yenan to talk with the Communists and get their terms for accepting unification which were set forth in a five point proposal. Following this Hurley went back to Chungking for talks with Chiang Kai-shek who presented his own three point plan for unification. The differences in the ideas of both the Communists and the Nationalists, as presented in the original plans, existed as long as negotiations for unification were carried on. Neither group would accept a system which placed it in an inferior position.

Throughout the period of his attempts to bring about unification in China, Hurley continued his unqualified support of Chiang, and in this matter he refused to consider the idea of using American aid as an element for inducing Chiang Kai-shek to take the Communists into some type of unified coalition government. However, on this point some of the foreign service officers in the Chungking Embassy differed with Hurley. Two of them in particular, George
Acheson and John Service, believed American aid should be used as an inducement to get Chiang to set up a unified, coalition government. Also they favored Stilwell's idea of arming the Chinese Communists in an effort to make them more effective against the Japanese. Hurley, with President Roosevelt's support, had the foreign service officials removed who did not wholeheartedly support Chiang Kai-shek.

The climax of Hurley's role in China affairs came while he was in Washington shortly after the death of President Roosevelt. Abruptly, in November, 1945, Hurley resigned stating that the President and the State Department had never made the China policy clear and at the same time accusing many of the foreign service officers and State Department officials of being pro-communist. Hurley made these charges feeling that support of Chiang Kai-shek had not been great enough. Secretary of State, James F. Byrnes, in speaking of Hurley's charges, stated that:

Of all the phases of our policy in the Far East, this seems to have been the clearest and most obvious. We formally recognize only the National Government. Our Ambassador is for the National Government. Our war supplies and financial assistance have been delivered only to the National Government. . . . It is difficult to understand Hurley's intimation that his failure to achieve a satisfactory settlement of China's internal division resulted from the absence

of a public expression of our policy.22

Unfortunately for Ambassador Hurley, his vanity apparently prevented him from realizing that his failure in attempting to unify the Chinese was due to circumstances beyond his or any American's control and not due to those against whom he was making charges. When Hurley resigned, he became just another American official frustrated in the attempt to find a solution for one of the many complex problems in Chinese-American relations.

The matter of aid to China entered into Chinese-American relations in other ways. Another example was extremely noticeable in the trip of Wendell Wilkie to China in October, 1942. After arriving in China, Wilkie was given a most enthusiastic welcome by the Chinese government, the press, and the civilian population.23 This was confirmed by Ambassador Gauss who was in China at the same time. After a closer observance it is easily discernable why Wilkie received such a welcome and why the Chinese were so enthusiastic in response to Wilkie's visit.

Dr. T. V. Soong, Chinese Minister of Foreign Affairs, who was in Washington, informed his government of Wilkie's

22Department of State, Bulletin (December 9, 1945), XIII, No. 337, pp. 930-31.

coming and recommended that the utmost effort be made to make Wilkie's visit a success and to do everything possible to win Wilkie's favor firmly in the cause of China.\textsuperscript{24}

Reasons for the special interest of the Chinese Nationalist government in Wilkie were quite obvious. The primary reason was that at that time there was a possibility of Wilkie's becoming President of the United States in the next election. Secondarily, it was thought that Wilkie might have a seat in the peace conference and there matters of great importance to China would be discussed and decided. From this it can be seen that the Chinese took advantage of every opportunity that might increase their aid from the United States or work to their advantage in any other way. For the United States, Wilkie's trip was mainly for the purpose of a morale booster to let the Chinese know they had not been forgotten and America was doing everything possible to help them. This again was to serve the purpose of keeping China in the war, America's main interest in China at that time.

The Chinese war front proved to be of value to President Roosevelt in a way ordinarily not associated with diplomatic relations. China proved to be a convenient depository for administration officials who became politically

\textsuperscript{24}Ibid., p. 163.
embarrassing to the President. The missions of Henry Wallace and Donald Nelson in the summer of 1944 indicate this. Supposedly, the Wallace mission was due to the concern for the Chinese in their shaky internal affairs between the Communists and Chiang's forces. But the real objective of the Wallace visit became apparent when he was dropped at the later party convention in Chicago.\(^{25}\) Apparently, Wallace had become a political liability to President Roosevelt; consequently, a mission to China served the dual purpose of encouraging the Chinese to continue in their efforts and removing Wallace from the political scene in the United States.

In a similar manner, the mission of Donald Nelson to China was arranged. As stated, Nelson went to China for the purpose of discussion of postwar economic affairs with Chiang Kai-shek. However, previous to this assignment, Nelson, as chairman of the War Production Board, became involved in the controversy with Charles E. Wilson, Vice-Chairman. The issue involved was that Nelson favored beginning a plan for reconversion to peace time operation of American industry to avoid the sudden cutbacks of cancellation of wartime contracts. The controversy was one of several which had been criticized by Republican candidate

Thomas E. Dewey. To solve the problem of a highly criticized internal squabble of the Administration, President Roosevelt sent Nelson to China and appointed Julius Krug as Acting Chairman of the War Production Board. Thus in this case, as in a similar situation with Wallace, President Roosevelt conveniently arranged for a China mission for two individuals who might otherwise have hindered operations in Washington and possibly interfered with the war effort in general.

Further American efforts to soothe and elevate the Chinese, in lieu of greater aid, came when the process of visiting officials was reversed, such as Madame Chiang Kai-shek's visit to the United States in November, 1943. While here, she was a guest at the White House and spoke to a joint session of the Houses of Congress as well as at a rally at Madison Square Garden and several public meetings. In 1943 acclaim and applause was about the most the United States could offer China since the capacity of production was being stretched to meet the great wartime needs.

In accordance with the American policy to uplift the Chinese whenever possible, the United States signed a treaty


in 1943, giving up extraterritoriality rights in China.\textsuperscript{28} However, the full effect of this was weakened when, within five months, another agreement was made freeing American troops in China from Chinese criminal jurisdiction.\textsuperscript{29} For the most part these troops were the only Americans in China at the time so that under these circumstances giving up extraterritoriality meant comparatively little to the United States.

A similar line of thought was followed in the repeal of the exclusion laws barring Chinese Nationals from the United States. This also meant comparatively little to the United States for in repealing the exclusion laws the Chinese were admitted upon a quota basis and the admission of 105 Chinese per year would not have any great effect on the United States.\textsuperscript{30} Meanwhile, the action promoted more cordial relations between America and the Chiang Kai-shek Government.


Chinese-American relations of the postwar period began with the usual Chinese requests for American aid. Chiang Kai-shek's fortunes began to rise for a time due to the backing of the United States, but this was only temporary, and by the end of 1949 his usefulness to the United States came to an end as Communist forces took over on the mainland of China. For America the period 1945 to 1949 was one of disappointment, confusion, and indecision as far as relations with China were concerned.

At the beginning of this period Chiang Kai-shek still held the unqualified support of the United States and was considered as still being necessary to the United States in maintaining its interests in China and the Far East. Because of Chiang's importance to the United States and also in response to a request from the Chinese National government, plans were prepared for a military advisory group to assist the Chinese Nationalists.

In April, 1946, a United States Military Advisory Group to China was authorized which was not to exceed one thousand officers and men.¹ Major General David G. Barr was

in command of the group although it was initially estab-
lished by General Albert C. Wedemeyer under the President's
temporary war authority. This group assisted the Chinese
Nationalists until November 1, 1948. The action establish-
ing the group was in line with the American policy of
strengthening the Nationalist government in order to keep it
in power. The announced purpose of the advisory group was
to assist the Chinese in the development of a modern armed
force. In its relations with Chiang Kai-shek's forces the
advisory group was not very successful in carrying out its
stated purpose. Reports all indicated the Chinese lacked
confidence in the advisory group and in a similar manner the
advisory group lacked confidence in the Chinese. The
Chinese would listen politely to advice given them then fre-
quently ignore it if they did not like the advice. Likewise
the advisory group had little respect for the ability of the
Chinese.

United States Congress, Committee on Armed Services
and the Committee on Foreign Relations, Military Situation
in the Far East, Hearings before the committees, 82nd Cong.,
1st Sess., to conduct an inquiry into the military situa-
tion in the Far East and the facts surrounding the relief
of General of the Army Douglas MacArthur from his assign-
ment in that area (Washington: Government Printing Office,

Department of State, U.S. Relations with China, 1944-
Hereinafter cited as U.S. Relations with China, 1944-1949.
On November 1, 1948, the Joint United States Military Advisory Group, known as JUSMAG, was activated. This group was better staffed and organized than its predecessor and the Commander of the previous group, Major General David G. Barr, was retained as commander. However, the deteriorating military situation in China during late 1948 led to its removal before the end of the year. The Joint United States Military Advisory Group and the preceding advisory group accomplished very little while assisting the Chinese Nationalists. The short time that the group was in operation reduced the possibility of being successful in any great degree.

At the close of World War II the problems of repatriating the large number of Japanese, resisting the activities of the Chinese Communists, and occupying important areas necessary to the defense of the Nationalist position were reasons making it imperative that the United States give the Nationalists such assistance as that of the advisory group. Also, during this period of Chinese internal conflict, an advisory group was the most acceptable form of assistance that could be given to Chiang Kai-shek for outright military intervention in the Chinese Civil War was

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4Ibid.

5Ibid.
strongly opposed in the United States. Because of the strong opposition to American involvement in China, the advisory group was allowed to act only in an advisory capacity with orders not to become involved in the Chinese Civil War.

As the power of Chiang Kai-shek began to subside and the menace of Communist control of China became a greater possibility, the Nationalist government again turned to the United States for economic aid. In February of 1947, the Chinese request for additional economic assistance was announced. However, by this time the question of aid to China had become a controversial issue in American politics and probably even more controversial in diplomatic circles. Involved in the issue was the question of whether American aid to China was accomplishing its intended purpose or whether it was accomplishing anything at all. Also being questioned was the unqualified backing of Chiang Kai-shek. The American government now favored a coalition government, that is, a unified Chinese government including not only the Chinese Nationalists but also the Communists and other groups. Discussions in Congress on the requested aid to China brought forth such sarcastic references as "Operation Rathole."  

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6Congressional Record, 80th Congress, 2nd Session, p. 3564.
While the Communists were becoming increasingly successful in their operations against the Nationalist government, Chiang Kai-shek looked to the United States for greater support. The American government continued its efforts to find a way, short of military involvement, to prevent the collapse of the Nationalist government. The American State Department officially recommended, on February 5, 1948, an appropriation of $570,000,000 for economic aid to China but made no recommendations for specific aid for military purposes.7 This was followed on February 18, 1948, by a special message from President Harry S. Truman to Congress advocating aid to China in the amount of $570,000,000 for a fifteen month period.8

This attempt to provide aid to China culminated in the China Aid Act passed by Congress on April 2, 1948. As finally worked out and as specified in a bilateral agreement on July 3, 1948, the Nationalist government was to receive $275,000,000 for non-military supplies and $125,000,000 for other purchases.9 This last amount, it was assumed, would


8Ibid.

9Ibid.
be used by the Chinese to purchase military supplies. The aid granted at this time was later extended on April 14, 1949. Other than the assistance given to Chiang Kai-shek under the 1948 act, a considerable quantity of military aid was given in transfer of material to the Nationalist from American forces in China. This included the equipment and supplies from the Marines stationed in North China, material from the Navy, and transfer of surplus equipment from other areas of the Pacific. 10

The importance of Chiang Kai-shek to the United States, as far as its interests in China were concerned, was still apparent to the American government. The aid granted to the Nationalists in the postwar years attests to this fact. As there was no other leader in China with whom the United States could deal, it became necessary to back the Nationalist government in spite of all criticism of the China aid program.

Postwar relations with the Chiang Kai-shek government were viewed with renewed interest as a result of the resignation of Ambassador Patrick Hurley on November 26, 1945. In clarifying the question raised by Hurley on recognition of the Chinese government, President Truman announced that

the United States and the other United Nations recognized the Nationalist Government of the Republic of China as the only legal government in China. This statement of President Truman, as concerned with the Hurley episode, was the only point of significance. Ambassador Hurley, himself, was only an incidental feature. The statement of the President indicated then that American support had been and would continue to be given to Chiang Kai-shek and the Nationalists.

On the day after Hurley resigned, November 27, 1945 President Truman announced his acceptance of the Ambassador's resignation and informed the American people of the appointment of General George C. Marshall as his Special Representative in China with the personal rank of Ambassador. The Marshall Mission indicates that American policy at that time was inspired by two objectives: bringing peace to China under conditions which would permit stable government along democratic lines and assisting the Nationalist government to establish its authority over as wide an area of China as possible. The first objective was unrealized. The second objective the United States followed from 1945 to


While attempting to form a unified government in China, General Marshall, in discussions with Chiang Kai-shek, found that Chiang was not willing to make the Communists a part of the government under any conditions which might lessen his own power. At the same time, in conferences with the Communists, he found that they also would not consent to any agreement which would weaken their position in China.

While these conferences were occurring, the United States was furnishing supplies and equipment to the Nationalists. This continued until August, 1946, when Marshall embargoed shipments to the Nationalists due to the complaints of the Communists that the United States was not being impartial in the Chinese unification effort. The embargo was placed on supplies with the knowledge that it would have no great effect on the Chinese Nationalist position at that time. General Marshall himself testified to this fact by stating, "at that time the Chinese Government had sufficient munitions for their armies and there was no embarrassment to

\[13\text{Decade of American Foreign Policy, Senate Document 123, 81st Cong., 1st Sess., Prepared at the request of the Senate Committee on Foreign Relations by the Staff of the Committee and Department of State (Washington: Government Printing Office, 1950), p. 721.}\]
The embargo, therefore, had little effect upon American support of the Nationalist government. It continued as before, probably contributing to the unchangeable attitude of Chiang Kai-shek who thought he could still count on American aid whether or not he came to terms with the Communists and formed a unified government for China. With the attempts to form a unified China ending in failure, General Marshall was recalled at his own request. With his return the Marshall Mission became an example of the efforts of the American government to find a way to support Chiang Kai-shek under the circumstances of the internal strife and chaotic conditions within China during the postwar years.

Following General Marshall's return to the United States it became an accepted fact that in the carrying out of American policy and looking after American interests in China, the United States would have to support Chiang Kai-shek while, at the same time, maintaining hope that he would be successful in his bid against the Chinese Communists.

A further attempt to assist Chiang Kai-shek occurred on July 9, 1947, when Lt. General Albert C. Wedemeyer was sent to China on a fact-finding mission. Relations between

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14Congressional Record, 81st Congress, 1st Session, p. 13289.

15McNair, Modern Far Eastern International Relations, p. 543.
General Wedemeyer and Chiang Kai-shek, not only during the 1947 mission but also during Wedemeyer's previous tour of duty in China, were carried on in a cordial and harmonious manner. Probably this was due to the fact that General Wedemeyer was one of the more ardent supporters of Chiang although he did recognize the weaknesses of the Nationalist government. General Wedemeyer, in his report written at the conclusion of his mission to China, made several recommendations based on his observations. Some of his more significant recommendations were: that the United States government provide moral, advisory, and material support to China. However, this aid was to be given with the stipulations that political and military reforms were to be carried out and that China was to accept American advisors in specified military and economic fields to assist in utilizing American aid in the manner for which it was intended.

In viewing the Wedemeyer mission of 1947 it is apparent that the American government was still looking for some effective means of helping the Nationalist government and keeping Chiang Kai-shek in power as a means of preserving American interests in China. General Wedemeyer's report

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17Ibid.
pointed out that to be effective in aiding China and keeping Chiang Kai-shek in power American aid would have to be on a large scale and would require a commitment of American Troops which the United States was not willing to make at that time. General Wedemeyer himself attributes the collapse of the Nationalist government on the mainland and the failure of Chiang Kai-shek to defeat the Communists to the fact that the United States failed to give Chiang adequate support during the war and postwar years.

Following the Wedemeyer mission, American aid to the Nationalists continued under the provisions of the 1948 China Aid Act until Chiang Kai-shek's position in China appeared to be hopeless to the American government. According to President Truman, shipments to the Nationalists were cut off when "many of Chiang's own generals took their armies, equipped through American aid, into the enemy camp. It was when that sort of surrender began to occur on a large scale that I decided to cut off further shipments to China." When this began to happen, it was quite apparent that the American government had failed in its attempt to maintain Chiang Kai-shek in his position as head of the Nationalist


19Truman, Years of Trial, p. 91.
government on the China mainland. With the collapse of the Nationalists on the mainland, the United States no longer had an agent to deal with in China. Further, United States relations with Chiang Kai-shek were directed toward maintaining his position on Formosa.
CHAPTER IV

CONCLUSIONS

In the twelve year period of 1937 to 1949, American relations with the Nationalist Government of Chiang Kai-shek did show a consistency not apparent to the casual observer. During this time the primary point of American policy was to support Chiang Kai-shek and the Nationalist government. With this point established, the reasons for it can be understood if consideration is given to the motives for carrying on diplomatic relations with any nation. Of great importance to the United States was the necessity of protecting its trade with China; secondly, but of no less importance was the matter of protecting American investments in China. A third motive and the most important of all considerations was the security of the United States. To achieve these three points Chiang Kai-shek, as the leader of the most stable faction in China, was selected as the most useful agent in implementing American policy.

The United States, in attempting to keep Chiang Kai-shek in power, furnished the Nationalist government with a considerable amount of aid but the dominant form of aid given was financial assistance. Actual military assistance to China was small as compared to that given to the other Allied nations in the same time period.
Previous to December 7, 1941, China was maintained as a counterbalance against Japanese power in the Far East. After this date American policy toward China was directed at keeping the Chinese actively in the war against Japan. To do this President Roosevelt felt that the greatest contribution he could make to China was his effort to bestow "great power" status upon China. Any more than this President Roosevelt was unable to do although Chiang Kai-shek very much wished to be represented at more of the top level conferences than he actually was.

During the war years of 1942 to 1945 American policy, to many observers, seemed to be in its most confused state. This seemingly confused state of affairs applied in particular to the China-Burma-India theater of operations. However, the overall American policy remained consistent with that of the previous years although in doing so it meant sacrificing the able leadership of such a person as General Joseph Stilwell. It was also during this period that the first doubts as to the advisability of the wholehearted, unqualified support of Chiang Kai-shek began to arise. Such sentiments eventually reached the Department of State through the reports of Foreign Service officers in China but no restraining action was taken.

In the postwar years American policy toward China and Chiang Kai-shek did change in the respect that the American
government came to favor a unified coalition government consisting of all groups in China although retention of Chiang Kai-shek's position of leadership was still desired. However, there were some American officials who thought Chiang Kai-shek should be completely dropped. Prominent among this group were John Davies, John Service, Raymond Ludden, and John Emerson. All of these men were former members of the United States Embassy staff in Chungking. Also General Joseph Stilwell and former Ambassador Clarence E. Gauss were very critical of Chiang. In their relations with Chiang, the American officials who supported him and did not attempt to get him to make any extensive use of his forces were praised by Chiang. However, those who did not do so were highly criticized.

With the hope of a unified coalition Chinese government in mind, the mission of General George C. Marshall was arranged and later the fact finding mission of General Albert C. Wedemeyer. These two missions indicate the American government was looking for a solution to the China problem when no solution existed under the circumstances of that time. The United States would not make the commitments of troops and supplies which observers believed to be the only solution to arranging a stable government in China.

The American government was caught in the dilemma of wanting to assist Chiang Kai-shek and keep him in power but
at the same time the United States would not make the necessary commitments to accomplish this. If the American government had made the necessary commitments, it probably would have involved the United States in the Chinese Civil War and possibly war with Russia. The decision of the American government was to do what was possible for Chiang Kai-shek without making any large scale commitments. Ultimately this was not enough and Chiang's forces were defeated on the mainland and collapsed. When this happened, the United States no longer had an agent in China with whom it could deal.

During inquiries and investigations of American policy and actions in regard to China, the Department of State was highly criticized. However, the Department of State actually did not have control over what American policy in China was nor how it was carried out. In many matters concerning China President Roosevelt by-passed the State Department. He made extensive use of personal representatives. Also the carrying out of American policy was delegated to American military officials who were almost wholly responsible for the conduct of affairs within China. State Department officials were never involved in any way other than in an advisory capacity. Considering these facts, the Department of State could not be held responsible, in any great degree, for the collapse of the Nationalist government
on the Chinese mainland. The end result could only be attributed to an aggregate of many factors.
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