American Division Over China

On assuming his post as Secretary of State, Marshall asked John Carter Vincent, Director of the Office of Far Eastern Affairs, for a summary of U.S. national policy on China. Vincent believed that it was not in American interest to build a China policy on sentiment, but that it was valuable to have there a unified and democratically inclined state. "We did not think that a Communist China could make such a contribution any more than a feudal-fascist state could do so. It was our policy to prevent China from becoming an irritant in our international relations, particularly with the Soviet Union."¹

Certain decisions had to be made after careful study of several specific items: establishment of a Military Advisory Group at Nanjing; transfer by the U.S. of certain naval vessels to China; completion of the 8 1/3 groups of an aviation program; transfer of arms and ammunition to the Chinese, and extension of credit through the Export-Import Bank for economic projects. Truman had stated that the U.S. would give aid when conditions improved. Marshall had emphasized that there must be an assumption of leadership by liberal groups, a genuine welcome for all political groups to share in the responsibility of a reorganized government, and a ceasing of financial support to the Kuomintang from the government. In determining improvement, the U.S. should count sincerity of purpose rather than actual length of steps taken. The projects should not be related to civil strife and should give priority to improvement of transportation and agriculture, and promotion of Chinese-American business activity.

It would not be realistic to withhold shipments of arms and munitions if such action reduced the government's ability to resist a successful Communist offensive; a problem that would involve
careful monitoring. Vincent warned that many Chinese other than the Communists were opposed to military aid to the government, because of the danger that such aid would encourage the reactionary members of the Kuomintang and would likely lead to an inconclusive war that would destroy them. If the United States let down the bars and sent arms freely to the Nationalists, other countries would follow. Reactionaries would be strengthened and any possibility of reform would be lost. From the American standpoint it would be preferable to allow the opposing forces to reach a kind of equilibrium. Only if the Soviets appeared to be aiding the Communists should we reassess our policy.

Vincent was in favor of a larger Military Advisory Group, but as for a bill to send arms and munitions, he favored waiting to ask for legislation to allow the Secretary of State to have the final say about the “time, type, and quantity of disposals of military equipment to China.” He recommended that the U.S. continue to withhold means for completing the 8 1/3 air groups, but that approval be given to the transfer of a proposed number of mercantile ships.

Marshall forwarded copies of Vincent’s statement to Army Secretary Patterson and Navy Secretary Forrestal, and a meeting was arranged for discussion on February 12, during which Marshall said he believed that leaders of the Kuomintang overestimated their ability to solve the Communist problem. He had found it most difficult to convince the Generalissimo that only drastic reform would save China, and the only solution seemed to be to oust the reactionary cliques from the Kuomintang. Forrestal, increasingly leaning to a strong anti-Soviet position, did not accept Marshall’s views. He believed that any withdrawal of military aid to the Nationalists was bound to help the Communists. He suggested sending an economic mission to China to outline proper measures. China, he believed, had to go through a wringer as Germany did in the early twenties. He then suggested that a visit by MacArthur to China might be helpful. Marshall answered that a member of the U.S. Government was then working with Chinese officials on economic problems, and it would be well to await his report before proceeding further.2

Both Forrestal and Patterson wanted to help Chiang Kai-shek. Patterson did not believe that a broadening of the base of the Chinese Government to include the Communists would aid the National Government. He did not share the State Department’s views on insisting on political reforms. He thought that the improvement of China’s economic position was so dependent on U.S. aid that any delay to get political reform might mean that the U.S.
would do nothing in the foreseeable future. To withhold aid lest it add to civil strife repeated the dilemma which Wedemeyer faced in his 1945 directive. The main issue was whether the United States should be willing to accept the collapse of the National Government.

Questions in Congress and in the press influenced the reactions of the service secretaries and the President. Uneasy over recent communications about China, Truman had asked Marshall in February whether or not the time had come to give ammunition to the Nationalists. Marshall replied that giving ammunition would open the United States to charges of aiding the civil war in China. Such action would encourage Government reactionaries to resist bringing in more liberal elements. He told the President that the situation of the government was rapidly deteriorating and that the United States must ultimately act, but at the moment any U.S. action would strengthen the most reactionary elements of the Kuomintang.

It was at this juncture that Marshall left for Moscow. Before his departure he indicated the great importance of “the rapid completion of the civilian end-use program of the 8 1/3 group Chinese Air Force program.”

Although Marshall’s attention was focused on European problems for the next several weeks, Ambassador John Leighton Stuart did not let him forget China. Stuart’s mid-March message on distressing developments in the Far East prompted Marshall to ask for a new assessment of the Chinese situation.

The resulting roundup of information included an estimate from the military attaché, Brigadier General Robert Soule, aided by other observers. He reported that the Chinese Government had decided on an all-out effort against the Communists. At present, the Nationalists had superiority in arms and equipment and should be able to achieve success in the initial phases of a campaign, but other factors might work against them in the next three or four months. Ammunition stocks were at a critical level and might be exhausted in three months, although there was no estimate on the amount of captured Japanese ammunition still available. Various items of equipment were wearing out and repair was beyond Government capability “Government forces are widely dispersed and dangerously over-extended, particularly in Manchuria.” Poor pay and bad economic conditions were lowering troop morale. Furthermore, the civil war was generally unpopular and Government troops were listening to the slogan that “Chinese should not fight Chinese.” The Chinese Government’s inability to handle neces-
sary measures such as price control or rationing had led to repressive measures. Instead of attacking the evils, the Government was using force to quell unrest.

The report suggested a wait to assess the effect of the proposed reorganization of Government. At the moment the Government was engaged in a vigorous anti-Communist military effort, including the occupation of Yenan, which had caused the attrition of government forces as well as serious supply problems. It seemed clear that the Communists were not about to join any coalition except on their own terms. Many of the more liberal elements needed for the reorganized government seemed reluctant to enter it. The more extreme anti-Communists seemed encouraged by the Truman Doctrine speech to believe that all they had to do to get American aid was to make faces at Russia and continue to fight the Communists. The military appraisal added that the United States must be prepared to adopt at some stage an "affirmative policy of such conditional assistance as may be necessary to our national welfare and security in the light of broader world commitments, particularly in connection with American-Russian relations.

Many of the Nationalists took hope from the capture of Yenan, headquarters of the Chinese Communist Party. Ambassador Stuart cited the reaction as an example of the way plans developed in China. In February, T. V. Soong had agreed with the Generalissimo that Yenan should not be attacked. As it was attacked, Stuart concluded that the move had been made solely for purposes of prestige and the desire to discourage Russian moves into North China. He explained to Marshall that the Communists had made no plans to defend Yenan and that their handling of the situation was in keeping with their tactic of pulling the enemy into a pocket and then sapping his strength with guerrilla attacks. An American officer who had talked with Chinese Communist leaders said that he was told it would cost the Nationalists seventeen brigades to hold onto Yenan and the surrounding area. Both Wedemeyer and Marshall in 1946 had warned Chiang against over-extension of forces.

At a time when Stuart was reporting that hope for the Nationalists lay in cessation of military operations and in radical reforms in government, the Chinese High Command was pleased with the current military situation. The Chief of Staff of the Nationalist Army said that two months should suffice to defeat and destroy the main Communist forces. Stuart became convinced that as military operations expanded, the role of the reactionaries became stronger in the National Government. He deplored the role of the Chen
brothers. Chiang Kai-shek had attempted to curb their power but he was personally too attached to them to do this effectively. Yet, the Chens were not tainted by graft and were almost left-wing on some social issues, and Stuart hoped he might encourage the brothers to embarrass the Communists by proving that they could outdo them in dealing with agrarian problems.

Even as evidence multiplied that the necessary changes in the National Government were being delayed, there were signs of a softening in the U.S. position. At the end of March, when General Gillem, who had been U.S. Commissioner of Executive Headquarters while Marshall was in China, called on the Generalissimo before returning home, Chiang took up the matter of ammunition shortages. Next day, Gillem talked with Yu Ta-wei, Minister of Communications, who also spoke of the shortages of small arms and mortar ammunition, which were hampering the Nationalists. He mentioned in particular 9.2 mm ammunition which was needed for arms already supplied by the U.S. Two days later in Washington, the chairman of the Chinese Supply Commission called on the Chief of the Division of Chinese Affairs, Arthur Ringwalt, and asked specifically about the release of this particular ammunition, which had been procured during the war by the U.S. Army for China under Lend-Lease arrangements, but never shipped. The ammunition was of no use to the U.S. Army and was deteriorating. On the same day, John Carter Vincent drafted a letter for Acheson to send Marshall, approving release of these stores. He told Acheson that the telegram was the result "of some wrestling I have been doing with my soul in recent weeks."

An inquiry by a member of Marshall's party in Moscow for a justification of the changed China policy was followed by a report by Brigadier General Thomas Timberman, U.S. Embassy in China, who said that the quantity of U.S. types of ammunition, as reported by the Chinese, "is inadequate for protracted operations by the Chinese Army units equipped with U.S. weapons." This view and a favorable reaction by the State Department's Chief of the Division of Chinese Affairs may have influenced Secretary Marshall's directive on May 26th that "necessary steps be taken to remove the prohibition established on July 29, 1946, on issuance of export licenses covering the shipment of arms to China . . . [and] that the Chinese be given normal commercial access to the arms market in this country." He said also that in addition to civilian end-use of the 8 1/3 group program now being readied for shipment to China, authority was given to transfer transport planes and spare parts. He also directed that foreign nations that had been cooperating in the
export embargo on shipments to China should be notified of our change of policy.9

In making this move, Marshall was aware that the National Government was far from improving the political situation in China. Stuart’s messages continued to depict a sordid story. In late March he added new details to the government’s handling of Formosa. The “maladministration” of the island in the eighteen months since the Nationalists had taken over “can scarcely be exaggerated,” he said. At one time he suggested appointing T.V. Soong, recently ousted as prime minister of the mainland government by the CC Clique, as governor of Formosa. This proposal was received with silence. The only hope for China that Stuart could see was the appointment of able men to the reorganized State Council, although evidence indicated it was still strongly dominated by the Kuomintang reactionaries. He was disturbed by growing anti-Americanism in China, both from the Communists who blamed the United States for keeping in power a corrupt and ineffective regime, and the reactionary group among the Kuomintang, which felt that, had the United States left them free, they could have soon settled the Communist question by force. Stuart emphasized that the influential, anti-foreign group in the Kuomintang still believed that American assistance would be forthcoming. “There is little reason to believe,” he concluded, “that their ideology will undergo any basic transformation as a result of American aid.”10

In early May Stuart reported that the Communists were beginning to take advantage of overextended Nationlist forces in the North, yet Chiang still believed that his military objectives would be gained by September. His troops suffered from poor pay, physical drudgery for officers and troops, war weariness, Communist propaganda, and the lack of a motive to inspire them. The High Command was split on strategy. Defections to the Communists and disintegration of entire units were being reported. “The essence of the problem,” he declared, “seems to be as to whether the financial structure of the country can endure until the military operations will have opened the way for a negotiated peace.”11

Stuart’s reports continued to add bad news. May had seen rice riots in some of the cities and student demonstrations and strikes in nearly every academic center. There were hints that the CC Clique had encouraged some of the student riots in an effort to prove that the reform government could not keep order and a more disciplined society was needed. The student protests, fused initially by economic concerns, at length focused on demands for an end to civil war in China.12
The next alarming news was that Communist troops were in the outskirts of Changchun, the city controlling communications to Manchuria, which had been hotly fought over while Marshall was in China.

The Government’s response to student unrest was repression. When Stuart urged Chiang not to use violence, the Generalissimo insisted there must be a restoration of order. After numerous arrests and clashes with the police, in early June quiet had been restored for the moment, but Stuart doubted that the repressive policy would be long effective since the students were determined to be heard.

After the first week of June, Stuart’s report was totally despairing. He deplored Chiang’s attempt to explain the demonstrations as Communist-inspired. Dr. Hu Shih, Chancellor of Peking University, had already protested such terminology as untrue and unfair. Chiang and his supporters exaggerated the power of the Communists to influence the rest of the Chinese. Most of the people belonged to no political party and were interested only in their livelihood. The students and intellectuals were “radical” because of their “bodily distress and spiritual disillusionment. To attribute all this to Communist machinations, and to try to crush it out by brute force is to intensify the growing disaffection.” For failure to persuade Chiang, Stuart blamed himself. “I feel myself pitifully impotent for having failed to help him apply in this concrete issue the idealist abstractions to which he has given his assent when the emergency was less apparent.”

In forwarding Stuart’s and other reports to Marshall, Vincent said that recent action on completing most of the China Air Force program, the transfer of surplus ammunition, and the granting of licenses for shipment of munitions to China might bolster Chinese morale and fighting strength, but could not make up for poor leadership or abusive treatment of troops. There seemed to be no action that the United States could take soon to correct these problems except through more or less complete U.S. involvement in the civil war.

In was in this climate that the Joint Chiefs of Staff on June 9 submitted its study of the military aspects of U.S. policy toward China that had been requested by the State Department. It was a stark revelation of the tremendous dichotomy of the administration’s policy toward China. The study ignored or swept aside all efforts made by the presidential directive of December, 1945, to achieve an understanding between warring factions in China, to broaden the base of the National Government, and to promote
American Division Over China

political reform in China. The question that concerned the Joint Chiefs was: What policy shall we pursue to block Soviet expansion in Manchuria and North China?

The chief conclusions of the study were. (1) The United States must prevent the growth of any power or coalition to the point that it threatened the Western Hemisphere; (2) U.S. security demanded that China be free from Soviet domination; (3) it was to the interest of United States security that Eurasian nations oppose Soviet expansion; (4) Soviet expansionism is furthered by the Chinese Communists; (5) Soviet expansionism is incompatible with U.S. security; (6) with Japan disarmed, the only nation in Asia capable of resisting Soviet expansion is Nationalist China; (7) unless the National Government is given sufficient military help to resist Communist expansionism the government will collapse; (8) U.S. commitments to the United Nations, in which China is listed, at U.S. insistence, as one of the great powers, requires that we support National China in getting control of Manchuria, (9) chaos in China works to the advantage of Soviet Russia; unless immediate military aid is given, the National Government will collapse; (10) U.S. aid to nations on the periphery of Soviet-controlled areas in Eurasia should be given in accordance with an overall plan; the plan should take in account aid for the Nationalists to meet and ultimately eliminate all Communist armed opposition.15

In addition to these conclusions, the study dealt specifically with the points which Marshall had forwarded. On the two suggestions that the United States continue to encourage China to achieve democratic unity and the belief that certain conditions in China should improve before the United States gave economic aid, the Joint Chiefs judged that such were political matters for which they were not responsible. On the thorny issue of withholding aid that might encourage or help civil war, the Joint Chiefs declared that any aid to the Nationalists risked provoking civil war as long as there was opposition to the National Government. Withholding aid was inconsistent with other policies relating to blocking Soviet expansion. If there was to be no aid, there was no need of a military advisory group.

A State Department reaction to this report appeared in Vincent's Memorandum of June 27. Noting that the deterioration of the Nationalist military position brought up the question of further U.S. military assistance, he reviewed what had been done recently to help the forces of Chiang Kai-shek. Since the end of the war with Japan, the United States had given $700 million in Lend-Lease assistance, it had transported Nationalist forces and supplied them
with ammunition and equipment, munitions in Tientsin and Tsing-tao had been abandoned to them, in recent weeks export permits had again been permitted, small arms ammunition had been designated as surplus property so that it could be transferred, and transport planes were being supplied. Despite all this, it was questionable, in the face of the incompetence of the Nationalist High Command, whether any assistance would enable them to hold their own against the Communists.¹⁶

Then Vincent put bluntly what Marshall had feared and what the Joint Chiefs of Staff seemed prepared to accept: U.S. military assistance sufficient to insure the Nationalist defeat of the Communists would be on such a large scale as to involve direct American participation, probably requiring that the United States take over direction of Chinese military operations and administration and remain in China for an indefinite period. The Chiefs had made clear that we could no longer avoid taking part in civil strife if we would save the Nationalists, but they had stopped short of spelling out the likely end. No one was yet prepared to face that.

Marshall and members of his staff met with Patterson and Forrestal on June 26. He concluded that the issues involved were of such importance that it was necessary to consult the President. The Secretary then directed Vincent to prepare a memorandum setting the points before Truman. The resulting paper briefly noted the issues previously set forth by the State Department, along with a statement that the United States had an obligation to supply ammunition for weapons we had promised China.

Under Secretary Acheson reviewed the memorandum at Marshall's request. He underlined the point that supplying ammunition would not insure elimination of the Chinese Communist threat. That could be accomplished only with large-scale American participation in the civil war—neither practical nor desirable. In this conclusion, Acheson concurred with Vincent. There was also a moral obligation for us to supply ammunition to those units which we had agreed to arm.¹⁷

Marshall had before him two sets of recommendations: the proposal by the Joint Chiefs for all-out aid to the Nationalists; and the more moderate course recommended by Vincent and Acheson. On July 3, he instructed Stuart to tell the Generalissimo that the State Department had been closely watching developments in China. It was keenly aware of Chiang's needs just as he in turn was aware of Marshall's ideas. Marshall could not presume to give advice on the current situation in Manchuria. But, he added, "I must point out that he [Chiang] was forewarned of most of the
present serious difficulties and advised regarding preventative actions.” The United States could not initiate and carry out a solution of problems but could assist only when there was some assurance that the aid given would have practical, beneficial results. “Please assure Gmo of my continued deep personal concern over events in China and of my earnest desire to find ways of being helpful 18

The language was cold. It was no different from the tone he had used in his last weeks in China, but it was clear from Stuart’s reports that the idea still hung on in inner circles that the United States would bail out the Nationalists. Marshall wanted it made unmistakable that he must have some sign of change. Actually, he had already decided on another approach.

While Marshall mulled over means of dealing with the China problem, he received nothing from Ambassador Stuart but indications that the Generalissimo had “learned nothing and forgotten nothing.” Chiang recognized the dangers of continuing the old arrangements, talked about reform, yet allowed the Kuomintang to dictate his actions. Desperately, Marshall ventured on a new tack. General Wedemeyer, now commander of Second Army at nearby Fort Meade, had been Chief of Staff for the Generalissimo, and understood the weaknesses of Chiang’s position. Why not send him on a fact-finding mission? He knew Chiang; knew what was needed. Looking at this action later, Wedemeyer suspected he had been set up as a scapegoat, but nothing in the exchange of documents or in Marshall’s files suggests anything but a clear desire to try once more to see what could be done. Marshall had always worked patiently, picking up crumpled plans, when the objective seemed worth the effort.

Marshall called Wedemeyer into his office on July 1 and asked him to think over the proposed mission and to come back the next day. Pressed for time because he had to testify on Capitol Hill, Marshall asked Wedemeyer to dictate a memorandum giving his ideas of what should be in such a directive.19

Wedemeyer’s proposed draft showed that he well understood what was in Marshall’s mind. In words that went into his final directive, he said that the mission was to appraise political, economic, psychological and military situations. The mission, as he understood it, “would be to obtain factual information on which you and the President could base appropriate action.” He thought that piecemeal assistance to China would not work. Whatever loan or assistance that we gave China should be based upon the premise “that appropriate safeguards are initiated and maintained to insure
that such assistance contributes to political and economic stabilization in the area."\textsuperscript{20}

The final directive took note of points Marshall had mentioned plus suggestions by Lovett and Vincent Truman approved it on July 9. According to the directive the United States would consider assistance only if "the Chinese Government presents a satisfactory evidence of effective measures looking towards Chinese recovery and provided further that any aid which shall be made available shall be subject to the supervision of representatives of the United States Government." Wedemeyer was asked to proceed with detachment from any feeling of prior obligation to support any program of aid which did not conform to sound American policy with regard to China. He was also asked to proceed to Korea and check on the situation there. In China he was to estimate the "character, extent, and probable consequences of assistance which you may recommend," and the likely consequences if aid were not given. Emphasis was laid on MacArthur’s blessing on the trip to Korea, but Wedemeyer was told to ask if he could proceed there by way of Tokyo.\textsuperscript{21}

The announcement of Wedemeyer’s Mission on July 11 reached Ambassador Stuart through a newspaper account before he received Marshall’s personal message explaining the appointment. Deeply hurt, Stuart wired Marshall that he was sure that the Secretary had his reasons for not notifying him ahead of time. He thought the announcement could have been made in a way to spare embarrassment to him and the staff in China. Marshall hastened to explain that a leak had occurred and the announcement was made to still Washington rumors. "I regret you were embarrassed but know that you will ride out the storm as you so often have done before." To stop speculation on Wedemeyer’s future role, he added that the Mission was a temporary expedient.\textsuperscript{22}

The Chinese Nationalists viewed the mission most favorably while the Communist press said that when Marshall wanted to appear as a neutral mediator, he had sent Wedemeyer home. Now the American imperialists, Marshall and Truman, saw the Nationalists tottering on the brink of collapse and were sending "this infamous Wedemeyer back to China." The Americans were becoming panicky and expected to intervene in China as they had in Greece, but they would find that they had misjudged the Chinese people.

Arriving in Nanking on July 22, Wedemeyer made clear the nature of his Mission and indicated that he could not make statements on U.S. policy since his purpose was to get information for the President. He and members of his group were soon visiting various
parts of China, collating reports from the Embassy staff and military advisers, interviewing representatives of various factions. General Wedemeyer made a point of renewing former associations with governmental figures.

Embassy reports continued to list problems which Stuart had been stressing for weeks. Again the conclusion was that only Chiang Kai-shek could hold together all non-Communist groups and only American assistance could save Nationalist China.

Contrary to assertions later made in the United States that the U.S. Embassy was fooled by the Chinese Communists, some of those afterward attacked as leftists showed in their reports to Wedemeyer that they clearly understood the nature of the Chinese Communist regime. Such an Embassy report to the Wedemeyer Mission near the end of July declared:

It is obvious that there exists in China an important and growing Communist problem. It is not necessary to establish proof that there is direct connection between the Chinese Communist Party and the Soviet Union. The ideological affinity between the Chinese Communists and their brethren of the Soviet Union is in itself sufficient to assure that in the event the Communists were to achieve majority control of a government in China, its basic orientation would be toward the Soviet Union rather than toward the United States.

The author of that report judged that the social structure and history of China were opposed to Marxist beliefs and Communist form of society, and would be anti-Communist if the social and economic burdens of Chinese life were lightened to any degree. However, as the current state of Chinese society offered fertile ground for the growth of Communism, it seemed improbable that Communism could be eliminated in China even with substantial outside assistance.

Near the end of July, General Wedemeyer sent Marshall a summary of his first impressions. Militarily and economically, the situation in China had deteriorated since Marshall left it in January. From every side he gathered the impression that drastic reforms and important changes in government leadership were necessary "or the Generalissimo's position as President will become untenable, resulting unquestionably in its fall." He found the Chinese apathetic and bewildered. "Inflation, corruption, disregard and disrespect for constituted authority is witnessed on all sides." On the other hand, reports indicated excellent spirit, "almost a fanatical fervor" on the part of the Communists. He feared that the
Nationalists "were spiritually insolvent." They foresaw complete collapse and many in positions of responsibility were trying to get what they could before that collapse. There was a tendency to blame the Yalta agreements for the unfavorable position of the Nationalists in Manchuria and North China.24

Ten days later when he had returned from North China and Manchuria his report was much the same. He repeated charges of corruption, but noted that people in positions of lesser responsibility were forced by inflation to resort to dishonest measures in order to live. The new note he struck was that after the United States entered the war in 1941, the Chinese were content to let the Americans do the fighting. The United States must be alert to Chinese "machinations" and compel them to contribute to the current fight against Soviet aggression.25

A week later, after studying Shanghai, Canton, and Formosa, he made an equally caustic summary. In Formosa the former Governor sent by the Central Government had alienated the local population. Formosan problems could not be attributed to Communists or dissidents but to the failure to establish honest and efficient administration. The Governor and his henchmen had "ruthlessly, corruptly, and avariciously imposed their regime upon a happy and amenable population. The Army [acted] as a conqueror. Secret police operated freely to intimidate and to facilitate exploitation by Central Government officials." He found indications that the Formosans would favor governorship by the United States or trusteeship under the United Nations. "They fear that the Central Government contemplates bleeding their island to support the tottering and corrupt Nanking machine and I think their fears are well-founded."26

Coming from a proved friend of China and a supporter of Chiang Kai-shek, Wedemeyer's thunderous charges had a profound influence on Marshall. His short, personal messages were read more carefully by the Secretary than was the final, longer report which came just as he was leaving for meetings of the U.N. General Assembly in New York, and then going to London for the Foreign Ministers' Conference which would continue until near the end of the year.

What Wedemeyer heard and saw in July and August boiled up in remarks he made to the Joint Meeting of the State Council and the Ministers of Government on August 22. He later said he was encouraged to speak with complete frankness by the Generalissimo and by Ambassador Stuart. In his memoirs, he explained that he was aware that the United States was against giving necessary as-
istance to China because of Central Government weaknesses. Since he was going to recommend massive aid, it was necessary for the record to show that he had made the Nationalists aware of needed reforms. He obviously thought that his later recommendations of increased aid would blunt the sharpness of his remarks.

Much of what he had to say he had already said to Marshall. Chiang Kai-shek may have wanted some hard truths told, but in a country which valued "face" and where Chiang had urged Marshall to avoid public remarks that would hurt the prestige of the government, it must have been only the firm belief that desperate situations require frank talk that led Wedemeyer to deliver the home truths embedded in his speech.

He started with the topic of taxation, noting that corrupt officials taxed the peasants unfairly while businessmen and rich Chinese avoided paying proper taxes. A picture of unfair and corrupt officials using the government against the bulk of the people appeared in many of his other statements. He declared that in the first year after the war, it would have been possible to defeat or curb the advance of Communism had the Government concentrated on controlling industrial centers, main centers of production, important cities, and the lines of communication. This effort required the appointment of highly efficient and scrupulously honest men as provincial governors, mayors, magistrates, and such. Political and economic stability would have resulted and the people would not have been so receptive to Communist ideas.

He stated grimly that he did not believe that Chinese Communism could be defeated by force. Nationalist China was being invaded by an idea that could be stopped only if the Central Government eliminated incompetence and corruption, and insured justice, equality, and the personal liberties of the people, especially of the peasants.

He must have startled many officers present by insisting that they should show interest in the welfare of their troops, provide care for their wounded, visit their men in hospitals, play basketball and soccer with their men, see that junior officers knew the names of men in their units, state the objectives of the government and encourage questions, and explain why they were fighting. These were views widely held in the American Army, but wholly alien to the men to whom he was speaking.

He followed this gospel of fairness and responsibility in his criticism of the way conscription was handled, so that the burden of service fell largely on the peasants while sons of the wealthy paid money to get out of military duty, or went abroad to school. He
Statesman

urged military men to be more cooperative with civilians. In Manchuria and in Formosa, Nationalist troops were described as arrogant, treating people as though conquered, looting their possessions. In the beginning the Communists had behaved the same way, but more recently they were perceptive enough to change. He urged that officers be promoted only on the basis of merit, noting that there were too many generals, and insisted that the military should stay out of politics, and that generals should never be used in positions of civilian responsibility, such as governors, mayors, magistrates.

He repeated the statement that he had made to Marshall that many men had turned to corruption in order to live, but he attacked the rich who used their position in government and business to further enrich themselves, the widespread practice of nepotism in politics, and the practice of placing relatives in firms where they made huge profits at the expense of the government and of the people.

Wedemeyer then turned his lecture toward self-help. China had resources, food, raw materials, and manpower. Honest, efficient administration and good organization would solve many of their problems. He mentioned that some ten million Chinese lived abroad and large sums of money were invested abroad by citizens in China. It had been estimated that Chinese living in the United States could provide at least one billion dollars for their country. China was not financially bankrupt, but was almost bankrupt in spiritual resources. He recounted strong-arm measures by the secret police in which people were seized and held without trials, in which citizens disappeared, in which students were arrested for attending a meeting. As a result people lost confidence in the government.

Realizing that he had been severe, he dwelt on the importance of constructive criticism and the willingness to accept it. He had spoken frankly in a spirit of helpfulness and he hoped that it was clear that he was willing to do anything he could to help China become a strong, happy, and prosperous nation.

The General's hopes were blighted. The Chinese leaders were already upset because they had expected his Mission to signal an immediate cornucopia of money and material. They were totally unprepared for his candor. It was true that some who heard him agreed that what he said was true, but they shuddered at the loss of face. To Wedemeyer's dismay, Ambassador Stuart's report to the State Department gave the impression that his speech had been a mistake. Wedemeyer wrote promptly to correct the impression,
reminding the Secretary that he had been urged by the Generalis-
simo to speak frankly and that Stuart had said he had performed
a valuable service.

His final statement to the press two days later, before leaving
China, like Marshall's farewell in 1946, gave additional offense to
the Chinese leaders, for he now stated publically the essence of what
he had said to the Council and ministers. He spoke in friendly
fashion, but was none the less disturbing. He again noted the
lethargy and apathy in so many quarters, said that instead of seek-
ing remedies, the leaders blamed outside influences. He was dis-
mayed by the abject defeatism of so many Chinese.

The Generalissimo apparently took personally Wedemeyer's
statement that "Recovery awaits inspirational leadership, and
moral and spiritual resurgence which can only come from within
China." Wedemeyer insisted that if the Communists were patriotic
Chinese, they would stop their use of force, but he also emphasized
that too many Nationalist officials were corrupt and incompetent.
Immediate drastic and far-reaching political and economic reforms
were necessary. Force alone could not defeat Communism.

Wedemeyer went from China to Korea and after approximately
a week there he went to Hawaii to prepare his report and recom-
mendations. State Department staff members who had a preview of
the report convinced Marshall that the contents of Wedemeyer's
report should be kept secret until the Department could carefully
review U.S. policy in the light of its recommendations. Marshall
accepted their advice and recommended to President Truman that
he suggest a temporary policy of secrecy to Wedemeyer. Marshall
was personally uneasy over Wedemeyer's recommendation of a
five-power trusteeship for Manchuria. He asked if this recommen-
dation could be removed from the report and its deletion con-
cealed. Wedemeyer did not like this suggestion. Walton
Butterworth of the State Department then suggested that the dele-
tion be made, with the notation that one suggestion of the report
had been removed by request of the Secretary of State. Marshall
feared this arrangement would still cause trouble. He said if the
suppressed part of the report should leak out it would be danger-
ously embarrassing to the U.S. delegation's position in the United
Nations.

The report to the President, dated September 19, summarized
much of what Wedemeyer had been saying about problems in
China and recommended items of military and economic aid that
had already been proposed by the Joint Chiefs of Staff. Shortcom-
ings of the National Government were all set forth. The need for
political and economic reform was added. A lengthy and valuable statement followed on Chinese resources, assets, and financial needs. Despite his detailing of the faults of the National Government and criticism of the weaknesses of the Nationalist command, Wedemeyer proposed more military aid, including completion of the aviation program, extension of the advisory program, and immediate shipment of more ammunition. Although mention was made of the use of U.S. military personnel, he ruled out U.S. armed intervention as contrary to U.S. policy. There was nothing in these proposals, introduced by such sweeping criticism which had already been reported in the U.S. press, to indicate why the U.S. Government would feel it necessary to suppress this part of the report. There seems no reason to doubt Marshall’s later testimony that he thought the proposal “that Manchuria be placed under a Five Power Guardianship or, failing that, under a Trusteeship, in accordance with the United Nations Charter,” might cause trouble. In his first experience as head of the delegation to the United Nations, he wanted to be cautious in throwing questions of this kind into the United Nations General Assembly, and was especially reluctant to invite the Soviet Union to serve on a guardianship for Manchuria or elsewhere. He recalled repeatedly that Chiang Kai-shek had been vehement against bringing in British or Soviet control.

For the moment, at least, a stop had been placed on all publicity about the report. Within the framework of earlier proposals by the Pentagon, numerous parts of the recommendations such as shipment of small arms ammunition, transfer of ships, and aid for the machine parts program, were already underway. In Congress a strong move by friends of China and by Republican critics of the Administration was being made to add funds for China to any appropriation for the European Recovery Program. An estimate for the use of the Central Intelligence Agency, made while Wedemeyer was writing his report, said that two billion dollars would be needed in the next three years to help economic stability in China, plus equipment and munitions for at least thirty divisions, merely to restore Nationalist control of China proper. Control of Manchuria would take 100 per cent more.

During the fall of 1947 support grew in Congress to add Nationalist China to the list of countries receiving assistance. Discussions began between representatives of both countries. Early in 1948, Marshall’s former fellow negotiator, Chang Chun, now Premier of China, signaled the adoption of some of the reforms that Marshall had advocated and asked aid to stabilize his country. Congress
incorporated $570 million dollars for China into an omnibus aid bill for fifteen months.

As Secretary of State, on February 20, 1948, Marshall made one of the main presentations concerning this bill before the congressional committees on Foreign Relations and Foreign Affairs. In view of the zealous fight he was then making for aid to Western Europe, determined advocates of more aid to China were to accuse the Truman administration of an attempt to stifle criticism rather than to meet the problem. Marshall favored help for the Chinese, but he built a powerful case against making it an item of first priority.

In Executive Session, he sketched a picture of the incompetence and corruption that various American leaders who had served in China had noted over the years. At the same time, he detailed his doubts about the Chinese Communists, who drew strength from the failure of the National Government to develop effective military leadership, or to attract support among the young. He thought that many bright and vigorous Chinese had joined the Communists not for ideological reasons but from disgust with the older government.

The National Government, he said, seemed incapable of taking steps toward reform of economic disorder that was sapping the country's economy. It had failed to rid its ranks of rampant corruption, and it had not ended one-party domination.

He believed it necessary to help China achieve some measure of stability, but drew the line at trying to insure Nationalist victory over the Communists. He made clear what had been done since 1942 to arm and equip the Chinese forces, the arms that had later been transferred, and the funds advanced for that purpose. But to guarantee success against the Communists demanded far more than he thought the American people would be willing to pay.

"There is a tendency to feel," he observed, "that wherever the Communist influence is brought to bear, we should immediately meet it, head on as it were." Such action gave the initiative to the Communists. They could "spread our forces so thin that they could be of no particular effectiveness at any one point." To reduce the Chinese Communists to a negligible force in China would require that the United States underwrite China's military effort and economy. "The U.S. would have to be prepared virtually to take over the Chinese government and administer its economic, military, and governmental affairs."

Such a course would likely make China an arena of international conflict. It could force the United States into an indefinite commit-
ment of men and resources, playing into the hands of the Russians or leading to "another Spanish type of revolution or general hostilities."

From the standpoint of American interests it was worthwhile to contribute to an economic program that would help prevent further deterioration of the National Government. Underwriting a broader battle was something he could not recommend.32

The Marshall Plan, talk of NATO, and the Berlin Blockade reduced any likelihood of a larger United States role in China. Stuart and U.S. consuls in Northeast China continually reported Communist gains and Nationalist weakness. Even Stuart's late October plea for a reappraisal of United States policy and greater effort to help China lacked confidence. Lovett cabled Marshall that the Ambassador's message actually confirmed Nationalist inability to fight effectively. Lovett concluded, "There is just no will left in the Nationalist forces to change the situation."

Marshall reiterated that aid to China was never intended to underwrite a military campaign, and that effective resistance to the Communists in China would require the United States to take over the National Government and administer its economic, military, and governmental affairs. "It would be impossible to estimate final costs of a course of action of this magnitude."

A year after Marshall's statement, Nationalist control had dwindled to Taiwan.