POLITICAL CONDITIONS IN CHINA; SINO-SOViet RELATIONS; ATTITUDE OF THE UNITED STATES TOWARD THREATENED KUOMINTANG-COMMUNIST CONFLICT

838.00/14922: Telegram

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

CHUNGKING, January 19, 1943—2 p. m.
[Received 3:27 p. m.]

101. Chinese press item from Lanchow states that on January 16 the Kuomintang headquarters (Tangpu) was inaugurated at Tihua, Sinkiang, General Sheng Shih-tsai, chairman of the provincial government, took oath as chairman of the Tangpu and declared his sincerity of purpose in obeying the director of the party (General Chiang Kai-shek). The Embassy is informed that the Chungking authorities originally sent a party official to Tihua with the idea of appointing him chairman of the Tangpu there; that General Sheng did not approve; and that Sheng’s appointment was compromise solution.

It is generally felt that developments in the Sinkiang situation have not warranted early hopes that the province would be brought within the National Government fold. Government troops have not entered the province and it is reported that Russian troops in limited numbers are still at Hami and other centers in Sinkiang. Otherwise there seems to be little or no evidence of Russian political influence although Russian commercial and economic interests are considerable. However, some progress is being made. From Chungking teachers and experts are being sent into Sinkiang and relations are clearly closer than they were a half year ago. General Sheng is no doubt loath to give up strong bargaining position between Russia and China and may be expected to endeavor while giving lip service to the National Government to keep a foot in both camps until the Chungking authorities are in a position to extend their authority by force.

GAUSS

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1 Continued from Foreign Relations, 1942, China, pp. 191–267.
2 President of the Chinese Executive Yuan (Premier).
Memorandum of Conversation, by the Second Secretary of Embassy in China (Drumright)  

[CHUNGKING,] January 20, 1943.

I called by appointment on Chou En-lai, Chinese Communist party representative at Chungking, at his official residence yesterday afternoon.

Chou volunteered the information that at present time relations between the Chinese communists and the Chinese National Government are “easier”, but he went on to say that there has been no “practical” change. He said that General Lin Piao, a Chinese communist general of considerable repute, is in Chungking and that the latter has been received by the Generalissimo. He said that the Chinese communist military forces have received no military or financial support from the Chinese National Government for the past three and one-half years. He asserted that there are still occasional military clashes between Chinese communist forces and Chinese National Government troops, chiefly in Kiangsi, Anhwei and Hupeh provinces. He declared that the only National Government troops remaining in North China are the forces of General Yen Hsi-shan in southwestern Shansi and some troops in north Honan, north of the Yellow River. Chou said that General Wei Li-huang had been relieved of his command at Loyang, Honan, because he was too friendly with the Chinese communists and too active against the Japanese forces to suit the wishes of the Chinese high command at Chungking. Chou said that General Wei is now living at Chengtu.

Chou deplored what he asserted to be the present inactive military and economic policy of the Chinese National Government, saying he feared it might be the cause of misunderstanding between China and her allies. He thought that notwithstanding China’s present difficult supply problem, China could be more active in a military way—especially in guerrilla warfare—against the Japanese. In the economic and financial fields, Chou felt that China should increase production—especially of agricultural crops—and should reduce expenditures. But neither of these programs would be followed, he said.

Chou dwelt at some length on possible future Japanese moves: he did not feel that Japan would attack Siberia or India or Australia. He believed that an attempt to crush Chinese resistance is rather more to be expected. He mentioned Yunnan as the most likely objective of Japanese penetration. Changsha and Sian were other possible objectives, he asserted.

*Copy transmitted to the Department by the Ambassador in China in his despatch No. 912, February 2; received February 23.
Chou remarked that the Japanese are bending every effort to strengthen their position in north China. He said that in 1942 they had carried out a so-called “Fifth Campaign” with a view to eliminating Chinese resistance in north China. Like the other campaigns it had been a failure: the Chinese communists remain in the area. He asserted that a General Chou, Chinese communist vice-commander under Peng Teh-huai in the Tai Hang mountain area of Shansi, had been killed during the campaign. Chou remarked that the Japanese are looting central China of its food resources. He said that the Japanese are utilizing more and more puppet troops in the occupied areas of China, withdrawing Japanese troops to other territory. He remarked that according to intelligence available to him, the 2nd Japanese Division had been recently transferred from North China to the south.

With reference to conditions in Sinkiang province, Chou remarked that General Sheng Shih-tsai, Chairman of the Sinkiang Provincial Government and local satrap for the past ten years, is a very clever man; and he thought that the Chinese National Government would be well advised to move slowly in taking over control of Sinkiang.

When on the point of departing, I remarked that I hoped to be in Sian within the next few months, Chou said that if I cared to go to the special communist area in north Shensi (and could obtain the assent of the National Government authorities), he would be glad, on receipt of word from the Embassy, to arrange for my entry into Yenan. I said that I was interested in a trip to Yenan if it proved to be possible and that I would bear his remarks in mind.

EVERETT F. DRUMRIGHT

893.00/14969

Memorandum by the Third Secretary of Embassy in China (Service), Temporarily in the United States

[WASHINGTON,] January 23, 1943.

KUOMINTANG-COMMUNIST SITUATION

An outstanding impression gained during the past eighteen months spent in Chungking and in travel through Southwest and Northwest China is that the most careful study should be given to the internal political situation in China, particularly the growing rift between the Kuomintang and the Communists.

The “United Front” is now definitely a thing of the past and it is impossible to find any optimism regarding the possibility of its resurrection as long as present tendencies continue and the present leader-
ship of the Kuomintang, both civil and military, remains in power. Far from improving, the situation is deteriorating. In Kuomintang controlled China the countering of Communism is a growing preoccupation of propaganda, of both military and civilian political indoctrination, and of secret police and gendarmerie activity. There is not only a rigorous suppression of anything coming under the ever widening definition of "Communism" but there appears to be a movement away from even the outward forms of democracy in government. It is now no longer wondered whether civil war can be avoided, but rather whether it can be delayed at least until after a victory over Japan.

The dangers and implications of this disunity are obvious and far-reaching. Militarily, the present situation is a great hindrance to any effective war effort by China. Its deterioration into civil war would be disastrous. [The situation therefore has direct relationship to our own efforts to defeat Japan.] At the present time a large and comparatively well trained and equipped portion of the Kuomintang Army is diverted from active combat against the Japanese to blockade the Communists. In the north (Kansu and Shensi) the lines are well established by multiple lines of block houses and these large forces remain in a condition of armed readiness. Further south (Hupeh, Anhwei, North Kiangsu) the lines are less clearly demarcated and sporadic hostilities, which have gone on for over two years and in which the Kuomintang forces appear to take the initiative, continue.

On the other side, the Communist Army is starved of all supplies and forced in turn to immobilize most of its strength to guard against what it considers the Kuomintang threat. It was admitted by both parties that there was extreme tension in Kuomintang-Communist relations in the spring of 1942. The Communists believe that it was only the Japanese invasion of Yunnan that saved them from attack at that time. The Communists and their friends claim, furthermore, that the Kuomintang is devoting its energies to the strengthening of its control over those parts of China accessible to it rather than to fighting Japan. This strengthening of the position of the Kuomintang will of course assist it in reestablishing its control over areas which will then be opened to it. A logical part of such a policy would be the taking over, as soon as an opportunity is found, of the Communist base area in Kansu-Shensi. Success in this move would weaken the Communists and make easier the eventual recapture by the Kuomintang of the Communist guerrilla zones. To support this thesis the Communists point to the campaign in the more extreme Kuomintang publications for the immediate abolition of the "Border Area". Another factor sometimes suggested as tending to provoke an early Kuomintang attack on the Communists is the desirability, from the
Kuomintang point of view, of disposing of them before China finds itself an active ally of Russia against Japan.

The possible positive military value of the Communist army to our war effort should not be ignored. These forces control the territory through which access may be had to Inner Mongolia, Manchuria and Japanese North China bases. The strategic importance of their position would be enhanced by the entry of Russia into the war against Japan. This importance is largely potential but fairly recent reports of continued bitter fighting in Shansi indicate that the Communists are still enough of a force to provoke periodic Japanese "mopping up" campaigns. Reflection of this is found in the intensive Japanese anti-Communist propaganda campaign in North China in the summer of 1941, although the fact must not be overlooked that Japanese propaganda has emphasized the anti-Communist angle to appeal to whatever "collaborationist" elements there may be in occupied China and to the more conservative sections of the Kuomintang. This activity in Shansi and the difficulties of the Japanese there contrast with the inactivity on most of the other Kuomintang-Japanese fronts.

Aside from the immediate war aspects, the political implications of this situation are also serious. Assuming that open hostilities are for the time being averted, the eventual defeat and withdrawal of the Japanese will leave the Kuomintang still confronted with the Communists solidly entrenched in most of North China (East Kansu, North Shensi, Shansi, South Chahar, Hopei, Shantung, North Kiangsu and North Anhwei). In addition the Communists will be in position to move into the vacuum created by the Japanese withdrawal from Suiyuan, Jehol and Manchuria, in all of which areas there is already some Communist activity. In the rest of China they will have the sympathy of elements among the liberals, intellectuals, and students. These elements are of uncertain size but of considerable influence in China, and the Kuomintang's fear of their power, and the power of whatever underground organization the Communists have succeeded in maintaining in the Kuomintang area, is indicated by the size and activity of its various secret police organs.

But possibly the greatest potential strength of the Communists, and one reason why military action against them will not be entirely effective at the present time, is their control of the rural areas of North China in the rear of the Japanese. Here the Kuomintang cannot reach them and the Communists have apparently been able to carry out some degree of popular mobilization. I am in possession of a secret Kuomintang publication describing the "Communist Control of Hopei". It discusses measures of combatting the Communists (by such means, for instance, as the blockade now being enforced) and concludes that if the Communists fail to "cooperate" (i.e., submit to
complete Kuomintang domination) they must be “exterminated”. I hope to make a translation of this pamphlet which would appear to have significance as an official Kuomintang indication of the policy it will pursue in these areas. It seems reasonable to question, as some thoughtful Chinese do, whether the people of these guerrilla zones, after several years of political education and what must be assumed to be at least partial “sovietization”, will accept peacefully the imposition of Kuomintang control activated by such a spirit and implemented by military force and the political repression, and secret police and gendarmerie power, which are already important adjuncts of party control and which are being steadily strengthened and expanded.

Non-Communist Chinese of my acquaintance (as, for instance, the nephew of the well known late editor of the Ta Kung Pao) consider the likelihood of civil war the greatest problem facing China. They point out that the Communists are far stronger now than they were when they stood off Kuomintang armies for ten years in Central China and that they will be much stronger yet if it proves that they have succeeded in winning the support of the population in the guerrilla zone. They point to numerous recent instances of successful Communist infiltration into and indoctrination of opposing Chinese armies (such as those of Yen Hsi-shan) and wonder whether this will not cause a prolongation of the struggle and perhaps make a victory for the Kuomintang, or for either side, impossible. There is undoubtedly a strong revulsion in the mind of the average, non-party Chinese to the idea of renewed civil war and the Kuomintang may indeed have difficulty with the loyalty and effectiveness of its conscript troops.

Belief in the certainty of eventual civil war leads these same Chinese to question whether the United States has given sufficient realistic consideration to the future in China of democracy. The question is raised whether it is to China’s advantage, or to America’s own interests, for the United States to give the Kuomintang Government large quantities of military supplies which, judging from past experience, are not likely to be used effectively against Japan but will be available for civil war to enforce “unity” in the country by military force. These Chinese also speculate on the position of American troops which may be in China (in support of the Kuomintang Army) if there should be civil war; and wonder what will be the attitude of Russia, especially if it has become by that time a partner in the victory over Japan.

But ignoring these problematical implications, there can be no denial that civil war in China, or even the continuation after the defeat of Japan of the present deadlock, will greatly impede the return of peaceful conditions. This blocking of the orderly large scale
rehabilitation of China will in itself seriously and adversely affect American interests. Even if a conflict is averted, the continuance or, as is probable in such an event, the worsening of the already serious economic strains within the country may result in economic collapse. If there is civil war the likelihood of such an economic collapse is of course greater.

There is also the possibility that economic difficulties may make the war-weary, over-conscripted and over-taxed farmers fertile ground for Communist propaganda and thus bring about a revolution going beyond the moderate democracy which the Chinese Communists now claim to be seeking. Such a Communist government would probably not be democratic in the American sense. And it is probable, even if the United States did not incur the enmity of the Communists for alleged material or diplomatic support of the Kuomintang, that this Communist government would be more inclined toward friendship and cooperation with Russia than with Great Britain and America.

For these reasons it would therefore appear to be in the interest of the United States to make efforts to prevent a deterioration of the internal political situation in China and, if possible, to bring about an improvement.

The Communists themselves (Chou En-lai and Lin Piao in a conversation with John Carter Vincent and the undersigned about November 20, 1942) consider that foreign influence (obviously American) with the Kuomintang is the only force that may be able to improve the situation. They admit the difficulty of successful foreign suggestions regarding China's internal affairs, no matter how tactfully made. But they believe that the reflection of a better informed foreign opinion, official and public, would have some effect on the more far sighted elements of leadership in the Kuomintang, such as the Generalissimo.

The Communists suggest several approaches to the problem. One would be the emphasizing in our dealings with the Chinese Government, and in our propaganda to China, of the political nature of the world conflict; democracy against fascism. This would include constant reiteration of the American hope of seeing the development of genuine democracy in China. It should imply to the Kuomintang our knowledge of and concern over the situation in China.

Another suggestion is some sort of recognition of the Chinese Communist army as a participant in the war against fascism. The United States might intervene to the end that the Kuomintang blockade be discontinued and support be given by the Central Government to the Eighteenth Group Army. The Communists hope this might include a specification that the Communist armies receive a proportionate share of American supplies sent to China.
Another way of making our interest in the situation known to the Kuomintang would be to send American representatives to visit the Communist area. I have not heard this proposed by the Communists themselves. But there is no doubt that they would welcome such action.

This visit would have the great additional advantage of providing us with comprehensive and reliable information regarding the Communist side of the situation. For instance we might be able to have better answers to some of the following pertinent questions: How faithfully have the Communists carried out their United Front promises? What is the form of their local government? How "Communistic" is it? Does it show any democratic character or possibilities? Has it won any support of the people? How does it compare with conditions of government in Kuomintang China? How does the Communist treatment of the people in such matters as taxation, grain requisition, military service and forced labor compare with that in the Kuomintang territory? What is the military and economic strength of the Communists and what is their probable value to the Allied cause? How have they dealt with problems such as inflation, price control, development of economic resources for carrying on the war, and trading with the enemy? Have the people in the guerrilla area been mobilized and aroused to the degree necessary to support real guerrilla warfare?

Without such knowledge, it is difficult to appraise conflicting reports and reach a considered judgment. Due to the Kuomintang blockade, information regarding conditions in the Communist area is at present not available. Such information as we do have is several years out of date, and has limitations as to scope and probable reliability. Carlson* was primarily a military man and had a limited knowledge of the Chinese language. Most of the journalists who have been able to visit the Communist area appear to have a bias favorable to the Communists. They also suffered from language limitations and were unable to remain in the area for an extended period.

I suggest that the American representatives best suited to visit the Communist area are Foreign Service Officers of the China language service. One or two men might be sent. They should combine moderately long term residence at Yenan or its vicinity with fairly extensive travel in the guerrilla area. It is important that they not be required to base a report on a brief visit during which they would be under the influence of official guides, but that they should have a sufficient time to become familiar with conditions and make personal day to day observations.

There is mail and telegraphic communication between Yenan and Chungking, and similar communication between various parts of the

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* Maj. Evans Carlson, United States Marine Corps, formerly in China.
Communist area. The officers would therefore not be out of touch with the Embassy and could, if it is thought desirable, make periodic reports.\(^5\)

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893.00/14685: Telegram

_The Secretary of State to the Ambassador in China (Gauss)_

WASHINGTON, January 25, 1943—midnight.

137. Reference Department’s telegram to Chungking, no. 58, March 13, 1941\(^6\) and Embassy’s telegram no. 114, March 26, 1941\(^7\).

A report has reached us, presumably based on statements made by Edgar Snow\(^8\) and Chou En-lai, to the effect that, due to such factors as (1) deteriorating economic condition of the people in areas under the control of the National Government, (2) deterioration of the National Government’s armies resulting from economic and financial situation and from the static condition of China’s warfare against Japan, and (3) the growing strength of the Chinese communist armies through defections from National Government armies and sale of arms to communist forces by soldiers of the National Government armies, the National Government may in the near future take repressive steps against the communists which might result in outbreak of civil war.

The Department would appreciate your views, without your making specific inquiries outside the Embassy, in regard to the foregoing report.

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893.00/14924

_Memorandum by the Third Secretary of Embassy in China (Service), Temporarily in the United States_

[WASHINGTON,] January 26, 1943.

Reference Chungking’s despatch No. 800, December 18, 1942,\(^9\) enclosing copies in translation\(^9\) of: the Resolution concerning Kuomintang-Communist relations passed by the recent plenary session of the Kuomintang’s Central Executive Committee; a reply of the Communist Party; and an editorial from the Communist daily at Chungking.

\(^5\) For comments by the Chief of the Division of Far Eastern Affairs (Hamilton) and the Adviser on Political Relations (Hornbeck), see memoranda dated January 28 and 30, p. 201.

\(^6\) *Foreign Relations, 1941*, vol. v, p. 490.


\(^8\) Correspondent in China for the _Saturday Evening Post_ and author of _Red Star Over China_ (1938).


\(^9\) Enclosures not printed.
[Here follows summary of a portion of the despatch.]

The Communists (Chou En-lai and General Lin Piao are referred to) were not particularly apprehensive of an immediate conflict. They were, however, pessimistic regarding any improvement in relations. Lin was concerned over present small scale clashes between Central Government troops and the “New Fourth Army”, and the Government’s insistence on that Army’s actual as well as theoretical elimination. Chou was reported to “continue to believe” that “it is a case of when rather than whether the Kuomintang takes forceful action to liquidate the Communists.” His hope for the avoidance of present trouble is that Chiang Kai-shek’s political wisdom will “steer away from trouble for the time being even though less wise party and military men might wish to have a showdown now.” (I was present at this interview with Chou and Lin which is here only partially reported. Lin was obviously very gloomy and discouraged. He said that he had come to Chungking in regard to the recent clashes between the Central Government and the New Fourth Army, rather than to discuss over-all Kuomintang-Communist relations. Negotiations had proved impossible because of the uncompromising attitude of Chungking military leaders.)

[Here follows summary of remainder of the despatch.]

Comment: This description of the present Kuomintang leadership, with which I am in entire agreement, was fully developed in a memorandum by John Carter Vincent, entitled: “The Chinese National Government; Its Leadership and Influential Elements”, forwarded by Chungking under cover of despatch No. 553, July 30, 1942. That memorandum is background for many of the unsupported statements made in this despatch.

In that memorandum, there were also made several points which have direct relationship to the question of Kuomintang-Communist relations and the likelihood of civil war: the conservative character of the Party follows through to the Army, some parts of which desire to conserve their strength for eventual internal “adjustments”; if Chiang Kai-shek is removed the principal preoccupation will be internal unity; effective measures for financial, economic and social reform cannot be expected from the present leadership either now or in the post-war period; if Russia assists in the defeat of Japan, the liberals and Communists will be greatly strengthened; rather than meet the situation by long overdue reforms, it is likely that the present Kuomintang leadership will go to the extremes of reaction, adopting suppressive measures to kill all opposition.

11 Foreign Relations, 1942, China, p. 211.
Memorandum by the Chief of the Division of Far Eastern Affairs (Hamilton) 12

[WASHINGTON,] January 28, 1943.

The Kuomintang-Communist situation in China is one which we should, of course, follow with care. A few days ago we asked Mr. Gauss by telegram to send us a report on the matter. Upon the receipt of his report, it is suggested that we give careful consideration to the question of asking the Embassy to send an officer to visit the Communist areas.

M[AXWELL] M. H[AMILTON]

Memorandum by the Adviser on Political Relations (Hornbeck) 12

[WASHINGTON,] January 30, 1943.

We should, I think, maintain an attitude of intelligent skepticism with regard to reports emphasizing the strength of the “Communist” forces in China and expressing apprehensiveness that civil war in China may be imminent. We should, of course, follow these leads with close attention—but with caution. The suggestion mentioned as coming from a Chinese source that we might see to it that a part of such arms as we ship to China go to the “Communists” is one which, were we to listen to it, would launch us on a course of playing both sides in a foreign country, which we never have followed, which I trust we never will follow, and which, if followed, would be both vicious and stupid. (The Japanese have followed such courses.) It will be interesting to see what Mr. Gauss reports.

S[TANLEY] K. H[ORNBECK]

Memorandum of Conversation, by the Second Secretary of Embassy in China (Drumright) 13

[CHUNGKING,] January 30, 1943.

Yesterday, at a luncheon given by Chou En-lai, Chinese communist representative in Chungking, which was attended by Colonel Barrett, Colonel DePass, Mr. Clubb 14 and the writer, opportunity was had

13 Copy transmitted to the Department by the Ambassador in China in his despatch No. 912, February 2; received February 23.
14 Military Attaché in China, Assistant Military Attaché, and Second Secretary of Embassy in China, respectively.
to have an informal conversation with General Lin Piao. (General Lin Piao is a very noted Chinese communist military leader. Rather diminutive in appearance, he is 35 years of age and is a native of a village located not far from Hankow, Hupeh. In 1924 he was a student at Whampoa Military Academy at Canton under Generalissimo Chiang Kai-shek. It is said that he was wounded three times in the course of the Generalissimo’s drive against the communists. He also sustained a serious chest wound in a clash with Japanese forces in western Shansi in 1938 or 1939. He directed the operations of the Chinese communist forces when they won their most noted victory over the Japanese at Pinghsingkuan in northern Shansi in the autumn of 1937. According to General Lin’s own statement the Japanese suffered 4,000 casualties in this engagement.)

General Lin said that he had left Yenan, Shensi, in the early part of October 1942 and that he had arrived in Chungking after about three weeks’ travel by truck. He said that life in Yenan is now very difficult, that the only staple food available is millet. He said that Mao Tse-tung, acknowledged leader of the Chinese communists, is in fair health but that he suffers from rheumatism owing to residence in the damp loess caves. He said that now although nearly sixty years of age, General Chu Teh, field commander of the Chinese communist forces, retains his good health. He said that General Chu is in the field, as is the vice commander, General Peng Teh-huai.

General Lin said that since coming to Chungking he has been received on two occasions by his old teacher, the Generalissimo. He said that the Generalissimo had received him courteously. It was gathered that he and the Generalissimo had discussed Kuomintang-communist relations; that as a representative of the Chinese communists he had requested that the blockade of the communist special area in north Shensi be lifted, that the communists be supplied with funds, ammunition and medicines. He went on to say that the Generalissimo had evinced sympathy but that nothing concrete had happened. He said that the Kuomintang had demanded that communist forces be incorporated into the national armies, but he said that he feared that this could not be accomplished so long as the National Government and the Kuomintang failed to give the people of China democracy. That had not been done, he said.

General Lin said that the Chinese communists are faced with an acute shortage of ammunition (bullets, as he put it in Chinese) and medicines, neither of which category is supplied by the Chinese National Government. He said that the Chinese communists have no
supplies of copper whatsoever. He added that their production of military equipment is limited to hand grenades and mines. He pointed out that in the absence of military supplies—which the Chinese communists had hitherto obtained chiefly from the Japanese—the Chinese communists could do little more than be quiescent. He asserted that if the Chinese communists were only supplied with arms and ammunition and medicines they would go on the offensive and strike hard blows at the Japanese throughout north China.

General Lin expressed his views of the Japanese in the following terms: The Japanese have withdrawn very few troops from north China since the start of the Pacific war. They now maintain eight or nine divisions in north China (not including Manchuria), of which about four are in Shansi. It is the definite policy of the Japanese to eliminate all Chinese resistance in the occupied areas, to drive all Chinese troops therefrom, to consolidate their political and economic position in these areas, to utilize the manpower and resources of these areas to assist them in gaining hegemony of all East Asia. General Lin went on to express the opinion that the Japanese would fail to attain these objectives: the Chinese people would never give their support to Japan and the Japanese would fail in their endeavors to sweep Chinese resistance from the so-called occupied areas. General Lin also asserted that, given a good opportunity, the Japanese would certainly endeavor to wrest Siberia from the U.S.S.R.

EVEFETT F. DRUMIGHT

893.00/14927: Telegram

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

CHUNGKING, February 1, 1943—11 a.m.
[Received 1:25 p.m.]

176. Replying to your 137, January 25, midnight. Please refer to Embassy’s telegrams 1005, September 5, 9 a.m.; 1070, September 21, noon; and 1486, December 12, 10 a.m., 7th and 10th paragraphs, and to its despatches 408, May 14; 468, June 18; 501, July 7; 515, July 14; 613, September 20 [10]; and 800, December 16, all 1942.

With regard to points numbered 1 and 2, there has been a clear and disturbing deterioration, as the Embassy had repeatedly reported, in the general economic situation in unoccupied China and in the condition of the Chinese armies due to undernourishment, disease and

16 Foreign Relations, 1942, China, pp. 232, 241, 260, and 197, respectively.
17 Not printed.
18 Foreign Relations, 1942, China, pp. 98, 206, 235, and 264, respectively.
inaction but it is unlikely and unreasonable that the Chinese Government under present circumstances would find in this state of affairs a pretext for initiating repressive measures that might lead to civil war.

With regard to point 3, the Embassy's information does not indicate that there has been any appreciable growth in the strength of the Communist army. There have been no large defections of national troops and individual defections have not materially affected the situation. It is understood that Communists now have more men than they can adequately arm and are encouraging soldiers to return to farms because of labour shortage. Embassy is informed that in order to avoid irritating the Kuomintang the Communists discourage defection of national troops or purchase of arms from them.

Although relations between the Communists and the Kuomintang are far from satisfactory, it is believed that the conclusion drawn is [in] the report that has reached the Department is not warranted.

In this connection particular attention is invited to my recent despatch number 800. Anti-communism continues to be cornerstone of Kuomintang policy but the leaders, notably the Generalissimo, consider it politic and practical to refrain from repressive action at this time. Liquidation of the Communists by the present Kuomintang leadership is a question of "when" rather than "whether". The time has not arrived. It may never arrive. Russian entrance into the war against Japan would make such a move inadvisable. Liberalization of Kuomintang leadership after peace under pressure from dissatisfied popular and official elements would render conflict improbable. While the war against Japan continues, civil war is not likely to occur.

Conversations with informed Kuomintang and Communist leaders here, including Chou En-lai who is mentioned in the Department's telegram, confirm this opinion.

Hall of the National City Bank who recently travelled through Communist territory and stayed some time in Yenan reports that morale there is good, that Communist forces have fair equipment of small arms but need mountain guns and that they are carrying on guerrilla warfare but are impatient of situation which prevents them from collaborating with national armies in attacking Japanese in force. He says that whereas commodities are limited, people seem to have a fair quantity of necessities including medicines. He observes that morale of national troops he saw in south Shensi was not so good, that economic conditions were disturbing, and that corruption among military and civil officials was relatively common compared with apparent absence thereof in Yenan. Incidentally he states that he was well and courteously treated by Chinese throughout his long journey.
In conclusion probably the most encouraging comment that can be made regarding Kuomintang-Communist relations is that they are now much the same as they were when the Embassy described them at some length in its dispatch number 95 of August 20, 1941.†

GAUSS

Memorandum by the Chief of the Division of Far Eastern Affairs (Hamilton) 20

[WASHINGTON,] February 5, 1943.

In view of the rumors and reports of one type and another which crop up from time to time in regard to relations between the Chinese Government and the Chinese “Communists”, Mr. Hornbeck and I call your special attention to the attached confidential interchange of telegrams of January 25, midnight, and February 1, 11 a.m., between the Department and our Embassy at Chungking.

M[AXWELL] M. H[AMILTON]

Memorandum Prepared in the Division of Far Eastern Affairs 21

WASHINGTON, February 11, 1943.

KUOMINTANG-COMMUNIST SITUATION

The Embassy at Chungking in its recent analysis of Kuomintang-Communist relations (telegram 176, February 1, 11 a.m.) stated that the most encouraging comment that can be made is that Kuomintang-Communist relations are now much the same as when the Embassy described them in its despatch no. 95, August 20, 1941.† In that despatch the Embassy said, inter alia:

“. . . it becomes reasonably clear that there can be little hope of a real united front, that is, a united front grounded upon sincere political and military cooperation. Even though divergent social conceptions were insufficient to keep the parties apart, strong personal prejudice on the part of many of the Kuomintang leaders would effectively prevent real cooperation. Endeavors to bridge the gap between

21 Addressed to each of the Assistant Secretaries of State (Berle, Long, Acheson, Shaw), each of the Advisers on Political Relations (Dunn, Duggan, Murray), the Acting Chief of the Division of European Affairs (Atherton), the Chief of the Division of Near Eastern Affairs (Alling), and the Chief of the Division of the American Republics (Bonsal).
22 Drafted by the Third Secretary of Embassy in China (Service), temporarily in the United States, and the Assistant Chief of the Division of Far Eastern Affairs (Smyth); initialed by the Chief of the Division (Hamilton).
the older and controlling elements in the Kuomintang and the communist leaders would, it is felt, prove as ineffectual as they were unwelcome. On the other hand, prevention of an open rupture is considered to be quite feasible so long as the common front against Japan is viewed as a necessity and outside assistance in maintaining that front is desired.

"Once that necessity ceased to exist, the Kuomintang-Communist feud may be expected to flare up again, probably in the form of hostilities. The foregoing statement assumes a continuation of the present Kuomintang leadership. There is a possibility that the more liberal younger element in the Kuomintang may become sufficiently influential to effect a bridging of the gap—might even through the adoption of needed social and agrarian reforms cut the ground from under the communists and effect a relative degree of political unity in the country. This is in no wise an early prospect but it is worth bearing in mind when taking a long view of the situation."

In its despatch no. 800 of December 16, 1942, which dealt with Kuomintang-Communist relations, the Embassy made the following comments:

"... Whatever strength the Communist party has derives more from the failures of the Kuomintang than in any positive accomplishment on its own part. Had the Kuomintang had the foresight to adopt simple effective measures for agrarian reform, equitable taxation, and for promotion of home industries along the lines of the Chinese Industrial Cooperatives, for example, it could have cut the ground from under opposition such as the Communists represent. This could still be done but it is feared that the present Kuomintang leadership, sterile in so far as social reform is concerned, is incapable of altering its conservative course."

The Embassy expressed the opinion in its recent analysis of Kuomintang-Communist relations (Chungking's telegram no. 176 of February 1, 1943) that the elimination of the Communists by the present leadership of the Kuomintang is a question of "when" rather than "whether". The Embassy adds, however, that the time has not arrived and may never arrive because Russian entrance into the war against Japan would make such a move inadvisable and because pressure from dissatisfied popular and official elements may enforce a liberalization of Kuomintang leadership after the peace.

The chief hope for the delay or avoidance of this conflict is the personal leadership of the Generalissimo, who, as the Ambassador has stated, foresees the harmful effect on foreign opinion which civil war would have and who is still able to restrain the military and more conservative party elements. This view is also held by the Communists who do not expect an immediate worsening of the present condition of armed truce in north and sporadic small-scale encounters in central China.

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*Foreign Relations, 1942, China, p. 264.*
The opinion that civil war is likely to be delayed would appear to be justified. There are, however, several factors which might possibly bring about Kuomintang-Communist hostilities before the end of the war with Japan. One of these would be the removal of the Generalissimo, which might permit extremist elements to gain control. Another might be Kuomintang fear of growing Communist power, especially among the people of the guerrilla zones in north China. A third might be a fear of possible Russian support of the Communists after the war. It is probably true that Russia does not desire a civil war in China at this time and has therefore given its support only to the Central Government. The Kuomintang may fear that this will not be the case after the war, especially if Russia has had a part in defeating Japan, and the liberal elements in China are strengthened thereby.

The present lack of unity in China and immobilization of substantial Kuomintang and Communist forces to offset each other is of importance during the present period because it hinders China's war effort.

Assuming that the present armed truce will continue until the end of the war, there will still remain to be solved the fundamental question of internal peace and unity. It is to be hoped that the Generalissimo, Dr. T. V. Soong, and other liberal elements may be in a position strong enough to bring about the reforms which can be the basis for lasting peace. However, there is still little evidence of a young, more liberal leadership rising in the Kuomintang itself. It is also possible that the Communists will be in a stronger position than ever before by reason of their probable control of most of north China. There will no longer be the common fear of an external attack. And the economic exhaustion of China and the deterioration of Chinese armies mentioned by Ambassador Gauss in his telegram referred to above will be factors which may contribute to civil war and which may make a Central Government victory in any such civil war difficult.

The foregoing is a brief summary of a situation which has serious implications affecting American interests both in the present war effort and in future efforts to assist post-war rehabilitation. It is a situation which merits careful study and the consideration of any action which might appropriately be taken to encourage and further Chinese unity. One possible course of action might be the sending of American officials to visit the Communist areas. This would have the double advantage of informing the Chinese of our interest in the whole question and of providing us with additional information regarding various phases of the problem. However, it is believed that

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24 Chinese Minister for Foreign Affairs.
the Chinese Government authorities would resent our sending representatives to Communist areas, without obtaining prior approval of the Government. And under present circumstances, it is to be doubted whether the Chinese Government would welcome a request for such approval.

893.48/4008

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

No. 933

CHUNCKING, February 15, 1943.

[Received March 10.]

Sir: Referring to my despatch no. 721 of November 13, 1942, concerning famine conditions in Honan, I have the honor to enclose for the Department's information a translation of an article from the Ta Kung Pao (influential independent Chinese daily) of February 1, 1943, entitled "A True Description of Famine Conditions in Honan" and a translation of an editorial from the February 2 edition of that newspaper entitled "Look at Chungking and Think of Honan." 27

The first of these two articles, written by the Honan correspondent of the Ta Kung Pao, describes the widespread suffering of the people in 100 famine-stricken hsien in Honan and the lack of thorough measures of relief, attacks the government for its efforts to carry out its program of collection of taxes in kind and the compulsory purchases of foodstuffs in the face of the famine conditions and appeals for immediate relief for the estimated thirty million famine victims. The editorial calls attention to the circumstance that although the government is reported to have appropriated adequate relief funds there are still millions of refugees who have not yet received such relief and describes as "unendurable" the continued collection of land taxes from the farmers who are threatened with arrest and are forced to sell their land and even the members of their families in order to escape starvation or in order to pay such taxes. A contrast is drawn between conditions in Honan and the circumstances under which people live in Chungking. In connection with the latter point, the editorial goes on to point out the ineffectiveness of the recently applied price control measures, stating that it would require thousands of prisons to hold all the violators of the measures. It concludes with an appeal for relief funds for the Honan famine victims.

The publication of this editorial by the Ta Kung Pao resulted in a three-day suspension of the newspaper by the Government and foreign press correspondents who attempted to report this matter to their

27 Neither printed.
home offices were not allowed to forward their despatches. A Central News Agency (Government-controlled) correspondent states confidentially that conditions in Honan are even worse than the Ta Kung Pao article described and that many Chinese approved the publication of the article. One result has been a campaign conducted by the Ta Kung Pao for famine relief in Honan, and the publicity given to conditions in that province has evidently forced the government to take more positive measures to relieve the serious situation.

In this connection, there is also transmitted herewith a copy of a China Information Committee Bulletin (Ministry of Information release) of February 12,\textsuperscript{28} reporting the appropriation by the Government of CN$100,000,000 for the relief of famine sufferers in Honan and the efforts being made by several public organizations in Chungking to raise additional funds for relief work in Honan.

Respectfully yours,

C. E. GAUSS

\textit{The Ambassador in China (Gauss) to the Secretary of State}

No. 951

CHUNGKING, February 23, 1943.

[Received March 20.]

Sir: I have the honor to transmit herewith for the information of the Department copy of Despatch No. 6, February 17, 1943,\textsuperscript{28} from Second Secretary Everett F. Drumright on temporary detail to Chengtu. The despatch reports upon the views of General Pai Chung-hsi, Vice Chief of the Chinese General Staff, as expressed in a speech at the Chengtu branch of the Central Military Academy. General Pai’s remarks apparently reflect an increasing dissatisfaction on the part of the Government with the present unmilitary attitude of college and middle school students, their lack of patriotism and the absence of enthusiasm for the war effort.

Respectfully yours,

C. E. GAUSS

\textit{The Ambassador in China (Gauss) to the Secretary of State}

No. 962

CHUNGKING, February 26, 1943.

[Received April 14.]

Sir: I have the honor to refer to the Embassy’s telegram no. 1486 of December 12,\textsuperscript{29} and despatches no. 773, December 3, no. 785, December

\textsuperscript{28} Not printed.
\textsuperscript{29} Foreign Relations, 1942, China, p. 260.
10, and no. 800, December 16, 1942, and to enclose a translation of the Resolution on Fiscal Policy passed by the Central Executive Committee of the Kuomintang at its 10th session at Chungking November last.

It will be noted that the resolution contains four recommendations for fiscal policy and details eight measures for putting the recommendations into effect. The first recommendation is for a balance of receipts and expenditures. The deficit is to be covered by flotation of loans but in order to prevent inflation, a loan quota is recommended. Secondly, revision of the tax system to increase revenue should not overlook the desirability of simplification, the difficulties of the people, and the need for war-time and post-war stability. Thirdly, state-operated enterprises and state-owned property should be managed in a manner to benefit both national finance and the economic life of the people. Fourthly, financial self-sufficiency of the district governments should be an aim of fiscal policy.

Y. C. Koo, Vice Minister of Finance, in conversation with the Counselor of Embassy, explained that, whereas the Central Executive Committee had shown considerable interest in the financial situation and in methods for improvement, it had not been adversely critical of the Ministry of Finance's past performance. (The Embassy has heard otherwise from other sources.) Dr. Koo said that every effort would be made to put into effect the recommendations of the C. E. C.

It is significant that, in suggesting a quota on loans, the C. E. C. goes definitely on record as desiring a limitation of expenditures. The thirty-six billion dollar budget for 1943 does not reflect an intention to economize, however, and it is doubtful that expenditures for the year will be kept below forty billion, most of which will be obtained through issuance of currency.

The recommendation on taxation contains a warning note against adding to the difficulties of the people. It does not mention the fact that taxation on high bracket incomes and speculative profits is inadequately and ineffectually applied and administered. Dr. Koo states that the Ministry of Finance will improve and expand its direct tax system. (See Embassy's despatch no. 807 of December 21, 1942.)

It is interesting to note in the third recommendation the phrase "Now that planned economy is being introduced into China ..." Chinese businessmen and some officials are concerned over the tendency toward state ownership of productive enterprises, toward the creation

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10 Neither printed.
11 Foreign Relations, 1942, China, p. 264.
12 Enclosure not printed.
13 John Carter Vincent.
14 Not printed.
of state-owned companies in control of exports, and the establishment of state monopolies of commodities such as matches, salt, tobacco, etc. There are those who fear that after the war the government will be in control of a large portion of external and internal trade and of national production.

The policy of promoting fiscal autonomy for the district governments is two-fold in purpose. The Government believes that a sound and, in so far as practical, self-sufficient system of district finance will promote financial stability. It also believes that in creating autonomous fiscal units in the districts depending directly from the national Ministry of Finance, rather than from the provincial governments, a long step will have been taken in breaking up provincialism which is viewed as one of the most potent disintegrative forces in the country. The provinces have in the past been the most fertile field for the militarism of non-conformist and revolting warlords. While endeavoring to build up financial autonomy in the districts, the central government has taken steps during recent years to destroy financial autonomy in the provinces primarily through taking over taxes formerly collected by the provinces (notably the land tax) and making grants to the provinces from the national treasury.

Dr. Koo explained that direct taxes on income, transactions, inheritance, etc., constitute one of the principal forms of revenue collected on a district basis, but in accordance with national law and for remittance to the national treasury. However, the Ministry of Finance remits one-third of these taxes back to the districts; not necessarily to the district from which they are derived but in accordance with a schedule of relative need prepared by the provincial authorities. In this way poor districts may benefit at the expense of the richer districts.

The program of fiscal autonomy for the districts, directly controlled by the national government, operating alongside the program for establishment of district self-government, and displacing the former system of fiscal and, in a large measure, political autonomy in the provinces is one of the most interesting current developments in China. Hailed at times as a move toward democratic forms, it is more realistically described as a preventive against the resurgence of disintegrative provincial forces after the conclusion of the war.

The National (Kuomintang) Government is intent upon retaining its authority in the country and it proceeds on the thesis that the best means of doing so is to maintain unity and that the best way to maintain unity is firmly to establish its financial control. If, hand in hand with this program, it has the foresight to adopt an enlightened policy which will benefit and gain the support of the masses of farmers and workers it has a good chance of achieving its objectives.
There is much talk in the press and elsewhere of a democratic China after the war. However, a highly centralized and authoritarian government such as that of the Kuomintang is not congenial to the Chinese people provided it rules for the people in sufficient degree to prevent widespread feeling of discontent and injustice. The Kuomintang should take more to heart than it has in the past the words of the Book of History (Confucius): "Heaven sees as the people see; heaven hears as the people hear". Therein is the democracy of China; and in the innate individualism of the people; not in the ballot and parliaments. If the Kuomintang can adjust its rule to the Confucian precept it should be able to maintain itself against the disintegrative forces of provincialism and regionalism and it need retain little fear of its bête noire, Communism.\footnote{In a memorandum dated April 12 Troy L. Perkins of the Division of Far Eastern Affairs wrote by way of comment on this despatch: "China's fiscal policy does not appear adequate to overcome or even to relieve the present serious economic situation. The absence of effective proposals for siphoning off war profits, and the indicated large increase in governmental expenditures—without a comparable increase in production—do not augur well for the control of inflation. The present situation in China calls for more stringent measures. The C. E. C. proposals recall the steps already taken in China for price control, which have been (1) too tentative and too late, and then (2) too rigid (fixed prices instead of controlled prices), and (3) unaccompanied by rationing, the necessary concomitant of price ceilings."}

Respectfully yours,

C. E. GAUSS

\footnote{893.00/14960 : Telegram}

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

CHUNGKING, March 5, 1943—noon.

[Received March 5—11:35 a. m.]

320. It has been announced here that Executive Yuan has named Dr. K. C. Wu, political Vice Minister of Foreign Affairs, to be Acting Foreign Minister during the absence of Soong. Wu tells me confidentially, however, that there will be no real change in his status and that he has to refer all except routine matters for the instructions of the Generalissimo.

GAUSS
Memorandum of Conversation, by the Second Secretary of Embassy in China (Rice), Temporarily in the United States

[WASHINGTON,] March 11, 1943.

Participants: Dr. Shuhsi Hsü of the Chinese Ministry of Foreign Affairs
             Paul Chu of China Defense Supplies and
             Mr. Edward E. Rice

Mr. Rice was introduced to Dr. Hsü at a small social function during the course of which there occurred the conversation outlined below.

Dr. Hsü stated that he had been given his post of Chief of the Russian Section of the Ministry of Foreign Affairs because he has long been an advocate of close Sino-Soviet relations. However, he voiced the opinion that the communists in China follow the party line determined in Russia, that the existence in China of an administration not controlled by the Central Government should not be tolerated and that for this reason the communist administration in the northwest must and will be liquidated, whatever the good qualities of the administration or its leaders. Mr. Rice asked him how that would be accomplished. He replied that it would be most sensible to accomplish this through negotiation and agreement, although he was not overly sanguine that both sides would show sufficient wisdom. He said that the alternative is military liquidation of the communists, that this should prove comparatively easy and that while he anticipated no decisive action during the current war he did expect the matter to be settled shortly after the termination of Sino-Japanese hostilities.

The Secretary of State to the Chargé in China (Vincent)

WASHINGTON, March 15, 1943—8 p.m.

350. 1. Bern reports that the following information was contained in the February 5 issue of the Berliner Boersenzeitung:

According to reports from Nanking, Chungking has declared null and void all secret agreements concluded between former Governor of Sinkiang and Soviet Russia between 1931 and 1939 granting the Soviets economic concessions in return for Soviet military aid in suppressing Moslem revolts. The paper further states that a few days later President Roosevelt opened consulate at Sinkiang and that obvi-
ously Chiang Kai-shek would not have dared to affront Moscow without sufficient Anglo-American backing.

2. While the Department does not of course regard seriously propaganda emanating from Axis or Axis puppet sources, the foregoing report is communicated to the Embassy as of possible interest and for its comment in connection with the Embassy’s following of developments in and relating to Sinkiang.

HULL

898.00/14989

Memorandum of Conversation, by the Second Secretary of Embassy in China (Davies) 89

[Chungking], March 16, 1943.

In a conversation with Chou En-lai, Communist representative in Chungking, I cautiously explored the possibility of our drawing on Communist intelligence regarding enemy activities. He responded in a seemingly cooperative spirit, but pointed out that for really effective liaison we should have a small group of officers stationed in their territory. Chou’s supply of incoming information from North China is obviously limited. But they had at their command at Yenan and in northern Shansi a steady flow of intelligence regarding the Japanese, particularly with regard to their operations in North China, Manchuria, the Yangtze valley and, until recently, Hainan.

Chou reiterated his invitation of last summer for a small group of American officers to set up observers’ posts in Shensi and Shansi. He pointed out that if we plan to assist in driving the Japanese from North China, it is now not too early to begin investigating sites for possible airfields in Shensi, Shansi, Hopei and Shantung and to begin studying at first hand conditions in that area. He seemed to be particularly anxious that an air officer investigate airfield possibilities in Shensi-Shansi. It would be advisable, according to Chou, to indicate to the Central Government at the outset that the observer stations are considered permanent stations for the duration. The personnel could then be rotated without misunderstanding over the principle of American officers proceeding to that area for air and ground intelligence work in cooperation with the Chinese authorities in North China.

His organization, Chou said, has received radio reports from its agents on Hainan Island. But the last remaining radio in possession of the Communists on Hainan had apparently ceased to function, for they receive no more direct messages. He stated that the Communists are the strongest force on the island resisting the Japanese.

89 Addressed to General Stilwell; copy transmitted to the Department by the Chargé in China (Vincent) in his covering despatch No. 1020, March 23; received April 16.
I then asked him a blunt question, one completely out of my professional character. I said that if we wished to extend lend-lease aid impartially to the Chinese Army, irrespective of political complexion and including those who seemed to be the most anxious to fight the common enemy, would we be able to do so. He shook his head, replying that the prejudice against and suspicion of the Eighteenth Group Army was too strong. He then added that after the American Navy has further whittled down Japanese naval strength and the Chinese Army settles down to the truly formidable task of trying to drive the Japanese Army from China, the Generalissimo’s attitude toward the Communists may undergo a change because General Chiang will discover that the Japanese are much stronger than he now realizes. It is bad to over-estimate the Japanese, Chou commented, it is quite as bad to under-estimate them. The Generalissimo is guilty of the latter error, he said. And when General Chiang discovers that the Japanese are not going to be easily rolled back into the sea, then he may feel that he will have to give more consideration to the Communists.

Chou exhibited anxiety over what the Japanese might do in the face of the movement of Chinese troops to Yunnan, the inflow of lend-lease arms by air and the Yunnan training project. He suggested that the Japanese must be suffering from a very strong temptation to attack Yunnan before Chinese-American strength in that area grows much further. If the Japanese occupy Yunnan, he observed, they have gone a long way toward strangulating Free China. And a Japanese invasion of that province poses no great difficulties for the enemy.

He corroborated the reports of bad feeling between Chen Cheng⁷ and Ho Ying-chin⁸. He also stated that Chen Cheng was loath to assume the Yunnan command. He had accepted the command only after considerable pressure from the Generalissimo and had reportedly said just before his departure that he was going to stay only a few days at Kunming after which he intended to return.

In discussing General Sun of the 38th Division he remarked that it was a pity that Sun would probably not be eligible to become an Army commander. Explanation: Sun is not one of the Whampoa clique.

I asked him if he had seen T. V. Soong during the Foreign Minister’s visit to Chungking. He had. Soong had displayed to him a fair attitude toward the Communists. But Chou had heard that to others, Soong had been critical of the Communists. Chou was not sure whom the Foreign Minister was trying to deceive. He is not sure of Soong’s position beyond recognizing that Soong is personally exceedingly ambitious.

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⁷ Commanding Chinese troops in Yunnan.
⁸ Chinese War Minister and Chief of Staff.
Chou feels that the Foreign Minister is now biding his time. He remained in his home most of the time in Chungking. He did not interfere in economic matters. The Generalissimo would not permit him to do so because, as Chou remarked, General Chiang knows that H. H. Kung will do as he is told whereas Soong will not, he is too independent. As for foreign affairs, Soong realizes that the formulation of policy rests solely with the Generalissimo, the Foreign Minister’s function being simply to report. That Soong did, following which he retired to his residence where he spent most of his time attending to his own private affairs, including the Bank of China. He made new investments, conspicuously in Kweichow Province.

The Foreign Minister’s only major political accomplishment, according to Chou, was to institute a temporary housecleaning in the Chinese Red Cross. And this was achieved only after two strained sessions with the Generalissimo and a rather dramatic visit to a meeting of the Executive Yuan. C. T. Wang, who has apparently been mishandling the Red Cross, was removed on the grounds that he was “too elderly and needed a rest” and was replaced by Dr. Chiang Monlin, President of Peking National University.

I asked how Soong’s relations with the Kwangsi clique were. Chou said that they were good but that on this last visit the Foreign Minister had apparently studiously avoided having much contact with Pai Chung-hsi.

Finally, I asked Chou if he regarded Soong as a progressive force in Chinese politics. He hesitated and then said that there were two sides to Soong’s nature. He intimated that Soong might be considered modern in his outlook and methods, but not because of that necessarily progressive.

Premier Tojo’s visit to Nanking was viewed by Chou as a demonstration designed to give the Wang Ching-wei regime face and bolster its morale. He suggested that the visit may also have encompassed negotiations for the further use of Chinese manpower, both industrially (as in the reported transfer of Shanghai skilled labor to Manchuria) and militarily through increased conscription of puppet troops.

John Davies

893.408/1

The Chargé in China (Vincent) to the Secretary of State

No. 1001

Chungking, March 17, 1943.

[Received April 16.]

Sir: I have the honor to enclose a copy of a despatch * submitted by Mr. Drumright, Secretary of the Embassy on detail at Chengtu,

*Not printed.
in regard to a meeting of Szechuan delegates of the San Min Chu I (People’s Three Principles) Youth Corps.

In the third paragraph of his despatch, Mr. Drumright correctly indicates the significance of the Youth Corps: “It is generally held that the purpose of the San Min Chu I Youth Corps is to direct the political thought of Chinese youth along orthodox channels and specifically to shield them from the communist doctrines which were attracting Chinese youth in large numbers some four or five years ago.” Incidentally, a great deal of the so-called attraction to communist doctrines was and is more a result of dissatisfaction with Kuomintang policies than a positive act of political or social faith. Under the guise of Sun Yat-sen idealism and through an appeal to nationalistic patriotism, an attempt is made to gain the adherence of Youth Corps members to the present Kuomintang political concept and policy of one-party government.

With reference to the statement that “the activities of the Youth Corps are being especially pushed in centers of learning”, it is a generally understood fact that the more ardent members of the Corps act as class-room informers for the Ministry of Education’s special intelligence service, reporting on professors as well as fellow students. It is encouraging to note Mr. Drumright’s observation that in Chengtu “there is little spontaneous enthusiasm among Chinese youth of the student type for the Youth Corps.” He adds significantly that “the majority who have joined have done so because of political expediency . . .”

Respectfully yours,

JOHN CARTER VINCENT

893.00/14966: Telegram

The Chargé in China (Vincent) to the Secretary of State

CHUNGKING, March 19, 1943—9 a.m.  
[Received 11:25 a.m.]

398. Reference Department’s 350, March 15, 8 p.m. We have heard nothing of action mentioned in Bern report and do not believe there is any truth in it. The Chinese, as several officials have intimated to me, would very much like to obtain control of the economic concessions granted by Sinkiang to Russia and also to arrange for withdrawal of Russian troops from Sinkiang but they have not been able to do so. Shall make discreet inquiries to ascertain whether there has been any recent change in the situation.

40 For Departmental comment, see memorandum by Mr. Troy L. Perkins of the Division of Far Eastern Affairs, dated April 24, p. 225.
I have directed Clubb\(^{41}\) to proceed from Lanchow to Tihua as soon as practicable.\(^{42}\) Yesterday, subsequent to my having reached this decision, Director of American Department of Foreign Office made the curious unofficial (but nonetheless serious) request that inasmuch as British were opening consular office in Tihua early April we endeavor have Clubb open our Consulate same time as British or in advance if possible.

VINCENT

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893.00/14036 : Telegram

*The Secretary of State to the Chargé in China (Vincent)*

WASHINGTON, March 25, 1943—4 p.m.

400. Embassy's 398, March 19, 9 a.m. Department would appreciate air mail report in regard to economic concessions granted by Sinkiang to Russia\(^{43}\) mentioned in first paragraph of reference telegram.

HULL

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781.93/1718

*Memorandum of Conversation, by the Minister Counselor of Embassy in the Soviet Union (Dooman)* \(^{44}\)

KULIBYSHEV, March 25, 1943.

I called on the Chinese Ambassador\(^{45}\) yesterday to pay my respects on his appointment and assumption of his duties. We had an extended conversation, which was continued today when he returned my call, and for purposes of convenience the two conversations are combined in this memorandum as follows:

The Ambassador informed me that he had been for some time Acting Foreign Minister, for the reason that Mr. Soong, the actual Foreign Minister, had spent a great deal of his time abroad, mostly in the United States. He referred to the fact that I was shortly leaving the Soviet Union to return to the Department, and he said that he wished to speak quite frankly to me in the hope that I would convey his observations to my Government.

\(^{41}\) Oliver Edmund Clubb, Second Secretary of Embassy in China and Consul at Kunming.

\(^{42}\) For correspondence regarding the opening of additional posts in China, see pp. 727 ff.

\(^{43}\) See telegram No. 534, April 13, 5 p.m., from the Chargé in China, p. 222.

\(^{44}\) Copy transmitted to the Department by the Ambassador in the Soviet Union in his despatch No. 274, March 25; received April 24.

\(^{45}\) Foo Ping-shueng.
[Here follows report of remarks on Soviet agreement as to supply route through the Soviet Union to China as reported in telegram No. 183, March 19, 5 p.m., page 600.]

The Ambassador said that he wished now to tell me quite frankly that the Chinese Government was somewhat concerned over the extent of the help which China might expect after the war toward coping with the enormous task of reconstruction. It has been obvious that China would be unable with its own resources after the war to rehabilitate itself. He wondered whether it would be possible for China to deal directly with private American interests with a view to securing necessary funds for rehabilitation and whether such funds could be expected without there being imposed on China the incubus of a banking consortium such as that which was set up after the last war.46 I replied that, without underestimating the seriousness of the task of rehabilitating China, it was my opinion that the problem was relatively more simple in China, with its predominantly agricultural economy, than in the case of highly industrialized nations which had been overrun and devastated by the war, such as Belgium. I further expressed the opinion that the days of the free exportation of capital from the United States had passed, and that I expected that there would be after the war a rigid supervision by the Government of all American funds desired for investment or other use in foreign countries. The Chinese Ambassador replied that he was greatly relieved by the opinion which I had expressed, but he wondered whether that opinion was generally held. I replied smilingly that I had a great many friends in New York who had expressed horror over the possibility of governmental control over the movement of capital, whether internally or externally, but that nevertheless I felt that I had no more than indicated the general trend of opinion in the United States.

The conversation then turned to the question whether the cooperation of the Soviet Union with the other members of the United Nations after the war could be confidently expected. The Ambassador said apropos that he wished to inform me in strict secrecy of certain apprehensions which were entertained by the Chinese Government with regard to possible future developments in the Far East. Assuming that the Soviet Union would join the other United Nations, after the defeat of Germany, in the operations looking toward the defeat of Japan—and that was merely an assumption—one would have to envisage the presence of considerable numbers of Soviet troops not only in Sinkiang and Outer Mongolia but also in Manchuria. It would have to be expected that these Soviet forces would be disposed to support the Chinese Communist elements in their op-

46 For China Consortium Agreement, signed October 15, 1920, see Foreign Relations, 1920, vol. i, p. 576.
position to the Central Government of China, and he was frank to admit that a combination of that character would be extremely difficult for the Chinese Government to eliminate from the areas which he had mentioned. I expressed surprise that he had included Manchuria in that area, and asked whether it was the view of the Chinese Government that the aspirations of the Czarist regime in Manchuria had been inherited by the Soviet Government. The Ambassador replied that without attempting to answer my question directly he need only observe that the Soviet army in Siberia would undoubtedly succeed in making its way into Manchuria sooner than the Chinese army could work its way toward Manchuria from the south. Once the Soviet forces occupied Manchuria he thought it would be extremely difficult to move them out. I recalled that in a recent conversation with Mr. Liu, the Counselor of the Chinese Embassy here, I had urged the importance to China of retaining such undeveloped areas as Sinkiang, Mongolia, and Manchuria for the reason that as the standard of living of the Chinese people rose these areas would have to be counted on to produce foodstuffs and other necessities which a higher standard of living required. The Ambassador said that that was a point which had not failed to receive considerable attention on the part of the Chinese Government. The position in Sinkiang had of late been considerably improved by the recent adherence to the Central Government of the Sinkiang war lord 47 (whose name I did not catch). He said that this General had recently completely changed his colors and was strongly opposed to the further incursion into his area of Soviet influence. It appears that he had recently imprisoned several hundred Chinese who had been collaborating with the Soviet Union. Although the hold of the Russians in Outer Mongolia was very strong, the Chinese Government had not yet abandoned hope of re-extending its influence over that area. Returning to the problem of Sinkiang, the Chinese Ambassador said that he had recently remarked to Mr. Vincent, Counselor of the American Embassy at Chungking, that the Chinese Government would have no objections whatever to the establishment of an American Consulate at Urumchi. He said that he did not know whether Mr. Vincent had acted on this suggestion, but hoped that when I returned to Washington I would inform the Department of the eagerness of the Chinese Government to see the American Government maintain representatives in the capital of Sinkiang Province.

In connection with the question of Chinese interests in western China, the Ambassador made further statements of an extremely confidential nature which he desired that I bring to the attention of the Secretary and of Mr. Hornbeck.

47 Gen. Sheng Shih-tsai.
The Chargé in China (Vincent) to the Secretary of State

No. 1035  CHUNGKING, March 30, 1943.

Sir: I have the honor to refer to the Embassy's despatch no. 933, February 15, 1943, concerning famine conditions in Honan, and to enclose herewith copy of China Information Daily Bulletin (Ministry of Information release) of March 17, 1943, noting the amounts which are to be spent for relief in Honan.

The Bulletin states that over CNC $200,000,000 (U. S. $10,000,000) has been "set aside" and that some CNC $87,000,000 (U. S. $4,400,000) has actually been "appropriated" or "advanced" to the famine sufferers. Practically all of the funds involved are for various forms of indirect relief—road building, land reclamation, irrigation projects, and for re-colonization plans; CNC $400,000,000, or almost half of the total thus far remitted, is intended for farm loans for the purchase of rice at government controlled prices.

There is no mention of any movement whatsoever of actual food or relief commodities into the region, and it is not specified whether there really is a supply of the rice which is to be obtained at the fixed prices. In view of the distance of Honan (the northern portion of which, above the Yellow River, is largely occupied by the Japanese) and of the lateness of the season, it is doubted that the present large transfers of credits, together with their attendant schemes of distribution, will do a great deal to alleviate the sufferings of the thousands who have been starving in that area. However it is indicated that the National Government is interested in displaying a continued concern for their plight.

Respectfully yours,

JOHN CARTER VINCENT

The Chargé in China (Vincent) to the Secretary of State

No. 1063  CHUNGKING, April 8, 1943.

Sir: I have the honor to enclose for the Department's information a copy of a despatch concerning the influence of Ko Lao Hui in Szechuan prepared by Mr. Drumright, Secretary of Embassy on detail at Chengtu.

*Not printed.*
The despatch indicates that the Ko Lao Hui, which might be translated as "Elder Brothers’ Society," remains an extremely powerful and influential secret society in Szechuan. It is reported to have some connection with Hung Pang and the Ch'ing Pang which are most active in central and eastern China. The Ko Lao Hui is said by Chinese to have a large membership in Szechuan with approximately one-half of the population of Chengtu associated in some capacity with the Society. Control is exercised not by a central organ but by the leaders in each local unit. It is a general axiom that no activity in any area can be undertaken by government organs without the approval of the local unit of the Society and its elders, known in Chinese as "Ta Yeh". It is significant that the Society is viewed by some Chinese as a bulwark against Communism and that the Kuomintang has endeavored with some success to utilize the Society for its purposes although it has not attempted to absorb or wholly control the Ko Lao Hui. The Embassy has been informed that the Szechuan military leaders are active members of this Society and that Chinese secret service organs, especially that of the notorious Tai Li, are honeycombed with Ko Lao Hui members. Mr. Drumright concludes with the suggestion that an evaluation of the Chinese scene should not overlook the influence and power of Chinese secret societies over the life of the nation.

Respectfully yours,

John Carter Vincent

893.00/14983: Telegram

The Chargé in China (Vincent) to the Secretary of State

Chungking, April 13, 1943—5 p.m.
[Received 8:10 p.m.]

354 [634]. Department’s 400, March 25, 4 p.m. Minister of Economic Affairs has informed CP [me?] that the major Soviet interest in Sinkiang is the oil refinery west of Tihwa. It is not properly described as a "concession". It is a company with Sinkiang Chinese at the head and with Russian technical advisers. However, Russians own the refining machinery and to all intents and purposes control the company. Chinese Government is negotiating with the Soviet authorities for agreement to operate refinery cooperatively. Soviets also have interests in an agricultural development organization which Dr. Wong tells me strangely enough maintains an airplane. The Soviets operate an airline from Alma Ata to Hami in which it is un-

50 Wong Wen-hao.
nderstood the Sinkiang authorities have nominal half interest. Soviet trucks cross Sinkiang transporting materials to China and returning with strategic materials to Alma Ata. Dr. Wong has unconfirmed report that Russians have recently become interested in the exploitation of wolfram deposits in that portion of Ili lying in Sinkiang. Dr. Wong appeared hopeful that the Chinese Government would be able to work out with Soviet authorities arrangements for economic development in Sinkiang on an amicably cooperative basis which gave due respect to Chinese sovereignty.

Clubb in Tihwa has been requested to prepare an airmail report in response to Department’s reference telegram. With regard to Sinkiang oil refinery, Department may wish to refer to Embassy’s despatch number 668, October 8, 1942.\(^{51}\)

VINCENT

893.00/15004

The Chargé in China (Vincent) to the Secretary of State

No. 1076

CHUNGKING, April 14, 1943.

[Received May 6.]

Sir: I have the honor to enclose a copy of a report\(^{51}\) on Sinkiang province contained in the China Information Committee’s Daily Bulletin no. 613. The Embassy has at present no means of checking on the accuracy of the statements made by Mr. Liang Han-chao but has forwarded a copy of the report to Mr. Clubb, Consul at Tihwa, for comment.

With regard to the final paragraph of the report in which Mr. Liang states that there remained in Sinkiang about 300 Russians of the Soviet Union who served as instructors in the Chinese army, advisors in animal husbandry and in other agricultural and economic enterprises, an informed official of the Chinese Government told me some days ago that Mr. Liang’s statement could not be taken as indication that the 3,000 or more Soviet soldiers, nominally under the command of General Sheng Shih-tsai, had been withdrawn from the province. Those troops are concentrated largely at Hami, and the Chinese Government has no recent information which would indicate that they have been withdrawn.

Respectfully yours,

JOHN CARTER VINCENT

\(^{51}\) Not printed.
The Chargé in China (Vincent) to the Secretary of State

No. 1079

CHUNGKING, April 14, 1943.

[Received May 6.]

SIR: I have the honor to enclose a copy of despatch no. 66 of April 9, 1943, from the American Consul at Kunming.53 While there is some doubt in official circles in Chungking whether General Lung Yun will be replaced as Chairman of the Yunnan Provincial Government, there is no questioning the fact that National Government influence, in political as well as military affairs, is now controlling in Yunnan. The actual power in the province has passed into the hands of General Ch’en Ch’eng, supreme military commander in the area and long-time close associate of Generalissimo Chiang. From the standpoint of unity in China and prosecution of the war this is a favorable development. The transition has been gradual and peaceful and the rumored resignation of Lung Yun, if it becomes effective, will cause no serious trouble. I am informed that the National Government does not intend to interfere in local administrative matters except in so far as immediate political and military needs require.

Respectfully yours,

John Carter Vincent

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The Chargé in China (Vincent) to the Secretary of State

No. 1110

CHUNGKING, April 23, 1943.

[Received May 19.]

SIR: I have the honor to refer to the Embassy’s despatch no. 1082 of April 15, 1943 54 concerning the Honan famine and especially to the statement therein that it was believed that some belated action would be occasioned by the submission to the Generalissimo of the personal report of T. H. White 55 and Harrison Forman 55 and by the otherwise increasing publicity being given to the conditions in that province. There are now appearing in the press, almost daily, notices of many campaigns to raise funds for the famine sufferers. There have also begun to appear statements as to the actual arrival in Honan of certain quantities of food-stuffs, although the quantities are as yet inconsiderable.

53 Not printed.
54 Time correspondent in China.
55 An American correspondent for British newspapers.
The following from recent Central News despatches, indicate the extent of the relief measures which are being carried out:

On April 10th it was reported from Chungking that around 555,000 sacks of wheat had been sent to the famine affected regions from Shensi province, "under the instructions of the Central Government". From two military districts in Shensi the army authorities had released from their granaries 110,000 sacks of wheat. It was stated that for several days the Lunghai Railway suspended ordinary traffic and devoted the line exclusively to the shipment of food supplies to Honan. It was claimed that the area to the west of Loyang is now adequately cared for but that emergency conditions still exist east of that point and also, that the situation in the east was now being aggravated by an influx of refugees from Shantung and Hopei to the north.

On April 15th it was reported from Loyang that numerous military organizations were contributing grain, and that the western section of the Lunghai Railway was choked with foodstuffs destined for Honan. It was estimated that 21,000 sacks of rice and miscellaneous cereals were being rushed to the famine region.

On April 18th it was reported from Sian that the Shensi Provincial Government was sending large quantities of foodstuffs, "in compliance with the Generalissimo Chiang Kai-shek's order". It was stated that the first batch of more than 1,600 tons of foodstuffs was being transported by the Lunghai Railway.

On April 19th it was reported from Loyang that the relief organization was well developed and that it was expected that by the end of April each sufferer will have been given C. N. $10.00 (U. S. $0.50) in cash and 15 catties of corn and 12 catties of wheat.

Respectfully yours,

JOHN CARTER VINCENT

Memorandum by Mr. Troy L. Perkins of the Division of Far Eastern Affairs

[Extracts]

[WASHINGTON,] April 24, 1943.

Reference Chungking's strictly confidential despatch no. 1001, March 17, 1943.

Comment: It is believed that the future activities of the San Min Chu I Youth Corps will deserve fairly close attention. While there are numerous morale and propaganda agencies in China (New Life Movement, National Spiritual Mobilization Movement, etc.), the dynamic character of the Youth Corps contrasts strongly with the moribund condition of nearly all the others. This movement receives the serious attention of some of the most influential Chinese officials and it appears to be growing rapidly in strength.
While many of the above affirmations doubtless spring from an understandable Chinese desire to further social consciousness, pride in China’s past, economic independence and scientific progress, it is believed that the highly nationalistic and mechanistic ideology of the German “state philosophy” can be detected in them.

As the Embassy has frequently indicated, the San Min Chu I Youth Corps is a “seed-bed” for future Kuomintang leadership. Its present vitality indicates that it may be able to provide badly-needed new life blood (youth) for the Party. However, its leadership and support would appear to assure that its activities will have a reactionary character. Kang Tze, active leader of the Corps, is known to be strongly influenced by German models. Chu Chia-hua (German returned student and Vice President of the Examination Yuan), Chen Li-fu (Minister of Education), Ku Cheng-kang (Minister of Social Affairs) and Chang Tao-fan (Minister of Information) are all reactionary and are all influential in the direction of the Youth Corps. Several of the leading military figures, including Generalissimo Chiang, are vigorous supporters of the Corps. The apparent reluctance of the better student type to join the Corps is understandable but it also has its disturbing aspect, as this situation would indicate eventual control of the movement (and later of the Party) by half-educated rowdies and place-seekers, to the submersion of the humanistic element which has been the strongest force in Chinese civilization at its best.

893.406/2

The Chargé in China (Vincent) to the Secretary of State

No. 1118

CHUNGKING, April 28, 1943.

[Received May 24.]

Sir: Referring to my despatch No. 1001 of March 17, 1943, concerning the San Min Chu I Youth Corps, I have the honor to report that this organization has just completed its first National Conference at Chungking. Delegates to the Conference represented various provinces of Free China and the occupied areas, the United States, Malaya, Burma, Formosa and Indochina. Of the approximately 350 delegates to the Conference less than 30 per cent were estimated by an observer to be students. At a joint meeting of the Central Executive and Central Supervisory Boards (the latter composed of the heads of universities and middle schools) held after the close of the Conference, Generalissimo Chiang Kai-shek, who is Director-General of the Corps, announced that the members of the Central Executive Committee and the Central Supervisory Committee of the Kuomintang
and the Presidents and Vice-Presidents of the Executive, Legislative, Judicial, Control and Examination Yuans would [be] ex-officio Directors of the Corps. The resolutions passed by the Conference were, as summarized by the press, principles for the unified training of the youth, principles for a ten-year plan for the development of the Corps, mobilization of the youth for building a new China, establishment of an organ to administer youth work and promotion of youth welfare.

The Generalissimo in speeches before the Conference outlined the tasks of Chinese youth as extension of rural education and cultural work throughout the entire country, the cultivation of students' interests in industry and labor, the promotion of scientific and technical movements and the carrying out of the tenets of the New Life Movement. He stated that the Corps must restore and develop the inherent virtues of the nation and reform the old society in order to realize the San Min Chu I and build a modern nation in China. He further laid down five basic principles as a guide for their activities: Youth must respect their elders and superiors; youth must perform manual labor; youth must respect farmers and laborers; youth must uphold equality of sex; and youth must obey government orders. He called upon the members of the Youth Corps to lead the youth of China in adopting these principles: that labor is the first essential of life; that science is the first essential of knowledge; that national reconstruction is work of the first importance; that industry should take precedence over all fields of endeavor; that principle is the foundation of faith; and the national defense is the first essential of nation-building. The Generalissimo stressed that the organization and training of the Corps must be coordinated with the educational system and planning and added that the policy of education in the future must be based on the principles outlined in his book, China's Destiny, that is, to lay emphasis on psychological, ethical, social and economic reconstruction. He added that the training of personnel for carrying out the ten-year plan of economic reconstruction, as described in China's Destiny, is urgently needed and that, therefore, the present educational system must emphasize vocational and technical training in middle schools, in which the Youth Corps will play an important part.

The Generalissimo's emphasis upon organization, training and discipline of Chinese youth was repeated by General Pai Chung-hsi, Deputy Chief of Staff, who in an address to the Corps called upon the educated youth of the country to enter into active military service in order to improve the quality of the Chinese army, develop a strong national defense and consummate the objectives of the revolution under the standard of the San Min Chu I.

The Generalissimo pointed to the youth of China as the hope of the country upon whom its destiny depends and asserted that any
youth who wished to take part in the reconstruction of a modern China should join the Youth Corps. He repeated the statement made in his book that "the San Min Chu I is the soul of the nation, the Kuomintang is the main artery of the nation and the San Min Chu I Youth Corps is the new blood in this main artery" and added that those who have not joined the Corps have not yet fulfilled their duty.

[Here follows report of other details concerning the Youth Corps.]

Units of the organization are reported as being very active in Japanese-occupied areas. The Kuomintang may be expected to expand the San Min Chu I Youth Corps among overseas Chinese just as it endeavors to increase its own influence among Chinese abroad. The Embassy has recently issued a visa for entry into the United States to a Mr. Chiang I-chien, adviser to the San Min Chu I Youth Corps, who is proceeding to the United States on behalf of the Chinese Government for the study of youth movements in wartime. It is possible that Mr. Chiang will interest himself more in the San Min Chu I Youth Corps units which are known to exist in the United States than in the study of American youth movements which bear little similarity to the Chinese organization.

Respectfully yours, 

John Carter Vincent

893.00/15019

The Chargé in China (Vincent) to the Secretary of State

No. 1132

Chungking, May 3, 1943.
[Received May 25.]

Sir: Referring to my telegram no. 613 of April 29, 10 a. m.,"7 concerning conditions in the Peiping area, I have the honor to enclose for the Department's information a copy of a memorandum 87 describing conditions in that area and the reaction of Chinese youth coming from that area to the treatment accorded them by the Central Government authorities.

The information contained in the memorandum was obtained from a Chinese graduate of Catholic University at Peiping who in company with other students left Peiping on January 20. He states that practically all Chinese organizations at Peiping are secretly honeycombed with Chungking and Communist adherents, the latter being particularly strong in the Hsin Min Hui. Many of the students in the four universities now functioning at Peiping are members either of the San Min Chu I Youth Corps or of the Chan Kan Tuan. The students act as espionage agents for the Chungking Government or the Communists

"7 Not printed.
with respect to Japanese military, economic, governmental and political activities and some of them engage in terroristic activities.

The group with which the informant traveled proceeded from Peiping by a new route, now being used by travelers from that area, which lies along the Ping-Han Railway to Hsinhsiang, Honan, thence by the Taotching Railway to Huaiching from which point they proceeded overland to Wangchao. At that place contact was made with Nanking puppet troops who provided them with passes for entry into Free China and who appeared to maintain close liaison with the Chungking authorities. From Wangchao they proceeded south across the Yellow River and then to Loyang.

The informant and his party had left Peiping with the assistance of the Chan Kan Tuan which had invited them to go to Sian for a six months military training course upon completion of which they would be eligible to become officers in the Chinese army. Representatives of this organization, the head of which is said to be General Hu Tsung-nan, met them at Sian and questioned them closely, apparently being extremely suspicious of their possible connections with the Communists. The quarters given them there consisted of damp dirty rooms with mud floors and without beds or bedclothing and they could obtain no indication of what type of work they would train for other than a vague statement that they might become active in the occupied areas after some training. This discrepancy between what had been promised them at Peiping and actual conditions at Sian led them to leave Sian and proceed to Chengtu and Chungking. Similar treatment of some of the group had occurred in the case of those who applied for positions as interpreters with the Chinese troops in India. After taking the required examinations, they were told that they were not to go to India but to the Yunnan-Burma border for work with transport organs of the army. The result was a feeling that the Chungking authorities had not been honest and fair in their treatment of students who were attracted here by promises which had not been fulfilled.

These young Chinese are perhaps representative of many others from well-to-do families who have come to Free China imbued with a desire to contribute something to the war effort against Japan and who now find themselves without money or means of support save for the near-starvation salaries they receive at government offices. Some of them are returning to their homes in occupied areas, feeling that life with their families under Japanese rule is preferable to a bare subsistence-level existence in Free China. The informant made his remarks about the treatment accorded him with obvious reluctance and an air of bewilderment that the Chungking Government could be so indifferent to Chinese youth it had persuaded to come to
Free China. He displayed only a certain grudging admiration for the Communists, praising them for their activities in North China, their treatment of the Chinese people and their endurance of hardships but maintained that their political beliefs were not suitable for China.

While it is realized that Chinese students have largely remained outside actual war activities, particularly in Free China, students in the occupied areas who have been far removed from Chungking authority, who consequently have perhaps been less aware of the workings and trends of the Kuomintang and of the Central Government and who have listened to radio propaganda emanating from Chungking have in many instances given active and concrete support to Chungking activities in the occupied areas. These are the persons who would form a base of support for the present Chinese Government after the war in its effort to reestablish its authority in the areas from which the Japanese had withdrawn. The situation arising from the above-described treatment of students is one which is therefore likely to have an unfavorable effect on the influence of the Chungking Government in those areas which are particularly important in view of the Communist position there and the latter’s appeal to Chinese youth.

Respectfully yours,

JOHN CARTER VINCENT

893.00/15007: Telegram

The Chargé in China (Vincent) to the Secretary of State

CHUNGKING, May 6, 1943—10 a.m.
[Received 10:37 a.m.]

664. Chou En-lai, representative at Chungking of the Chinese Communist Party, called and ensuing conversation developed the following:

Negotiations carried on intermittently for the past half year for settlement between the Kuomintang and the Communists are at a standstill. Lin Piao, Communist General who came to Chungking at the Generalissimo’s invitation in November, is still here awaiting some kind of settlement which it does not appear will be forthcoming (it is not improbable that Lin Piao may be remaining involuntarily). Chou states that Communists have agreed in principle to reduction of their forces and to their concentration in areas north of the Yellow River but have pointed out, with regard to the latter point, the practical impossibility of transferring troops from isolated areas through Jap held territory, and the ill effects of withdrawing their troops from areas which Kuomintang forces are not prepared to occupy.
General Ho Ying-chin has informed Chou that, since the National Government made these two requirements some years ago, circumstances have changed and that the situation must be reconsidered. Communists continue to put forward their four points involving Communist cooperation in struggle to realize principles of San Min Chu I; National Government recognition of right of Communists to participate in the war and in the Government and legalization of local government’s setup in Communist areas; support of Communist armies to enable them actively to fight Japan; and free cooperation now and after the war among all parties under a National Government dedicated to democracy and reconstruction. Kuomintang officials here insist that undefined general principles must be agreed upon before these Communist desiderata can be considered. This is how the matter now stands and, I think, will continue to stand for some time to come. I do not consider, and Chou concurs in this view, that there is any imminent likelihood of an outbreak of civil war; but the determination of Kuomintang leadership, probably stronger now than a year ago, to liquidate the Communists continues to be a sure barrier to cooperation. The very objective of the negotiations, from the standpoint of the Kuomintang, is the elimination of the Communists as a force in China and if this elimination cannot be accomplished through negotiations an attempt will be made when what may be considered a propitious moment arrives to effect it by force.

Chou does not anticipate any radical alteration in the situation between Soviet Union and Japan although he feels that the Russians may attack the Japs when they are freed from the German threat. He is anxious that American military and competent civilian observers proceed to guerrilla areas in the north to make studies of the area with a view to preparation for eventual air and land action against the Japs. He envisages such action as coordinated with eventual Russo-Jap hostilities and expresses hope that the Chinese might be able to move through North China into southern Manchuria. He also speaks of the need of Chinese preparations to advance in the Yangtze Valley (against Ichang and Hankow) and further south to take advantage of a hard pressed Japan when an anticipated all out American naval offensive commences. He believes that the Chinese have and can produce, with internal natural and industrial resources, sufficient supplies to carry out limited offensives with little aid, other than aerial, from outside. He deplores present virtual military inactivity in China and speaks regretfully and reproachfully of the lack of offensive spirit shown by the Kuomintang leaders.

VINCENT
Chungking, May 6, 1943—4 p. m.  
[Received May 6—12; 30 p. m.]

660. Clubb reports from Tihwa that one division of Chinese National troops is reported to have begun entry into Sinkiang in compliance with request from General Sheng Shih-tsai, Chairman of the Provincial Government. Troops are moving by truck and the first contingent crossed the border on April 16 en route to Tihwa and Clubb saw one contingent arrive in Tihwa April 21. He reports his understanding that Soviet Union still maintains at Hami a well-equipped task force of one regiment (probably 1500 men) and states that he is not informed whether there are other Russian units in the province.

Vincent

893.00/15009: Telegram

The Chargé in China (Vincent) to the Secretary of State

Chungking, May 8, 1943—10 a. m.  
[Received 11:13 a. m.]

667. Embassy has learned from reliable sources of existence in Kansu, Kweichow and Ninghsia of unrelated revolts against Central Government authority.

Kansu disturbances are most widespread affecting several hsien south of Lanchow where peasants have turned bandit and have at times cut two main roads south from Lanchow. Revolt arose in protest against conscription and collection of land tax in kind and Ma Pu-fang, Governor of Chinghai, is rumored to have taken opportunity to spread dissatisfaction. Kansu Chairman Ku is said to be particularly unpopular with peasantry while General Chu Shao-liang is reported to have allowed movement to spread in order to embarrass Ku. Central Government has dispatched troops and planes to quell bandits who are reported to number between 20 to 50,000 and whose number has been swelled by dissatisfaction of local Pao An Tui.\(^5\)

Disturbance in eastern Kweichow is said to have arisen from tax collection by Central Government authorities and to have been inspired by puppet agents. This is recurrence of similar revolt last autumn.

Ninghsia disturbances are reported to have been instigated by Japs using Mongols to arouse people against Central Government authority.

\(^5\) Militia.
Although these revolts are unrelated, they may be taken as sign of further possible efforts of Japs and puppets to undermine Chungking and also, taken in conjunction with inefficiency and corruption of Central Government officials in Honan famine disaster, point to possibility of increasing lack of confidence in Chungking Government.

VINCENT

893.00/15026

The Chargé in China (Vincent) to the Secretary of State

No. 1173

CHUNGKING, May 12, 1943.

[Received June 2.]

Sir: I have the honor to enclose a copy of an informal report made to me on the eve of my departure from Chungking by Mr. Everett Drumright, Second Secretary of Embassy temporarily stationed at Chengtu, Szechuan. I find Mr. Drumright’s comments interesting and in general sound. I am not disposed to be as pessimistic about the outlook in China as he is but if one grants the point that the war may continue for another three years there is no doubt but that a very serious situation will develop in China.

I may take the opportunity of my early return to Washington to comment further upon the potential situation described in the enclosure.

Respectfully yours,

JOHN CARTER VINCENT

[Enclosure]

The Second Secretary of Embassy in China (Drumright) to the Chargé in China (Vincent)

[Extract]

CHENGTU, May 5, 1943.

General situation. Within the past few months and especially during the past two months there has been a serious deterioration in the general situation. As you know there have been uprisings in Kweichow which appear at least in part to be directed against the National Government. In Kansu banditry is rampant and apparently spreading. In Honan there is one of the worst famines that China has experienced within the past fifty years. In Szechuan, the hub of Chinese resistance, there is great uneasiness and tension and there have been small uprisings and an increase in banditry. Down at the front there is very little activity; malnutrition is apparently prevalent
among the troops, sickness is increasing, and the spirit of the troops is said to be flagging. Guerrilla activity is but a name. In the occupied areas the Japanese with a few hundred troops are able to sit behind their elaborate fortifications and contain thousands if not hundreds of thousands of idle Chinese troops.

Inflation is one of the chief cankers eating at the heart of the Chinese will to go on. It is probably true that the merchant, agricultural and laboring classes are not irretrievably affected by this force, but inflation seems to be destroying the morality of the country, sapping the spirit of the people. The lack of a clear-cut economic policy in Chungking has added to the ills. Half-hearted attempts to control prices and to enforce the rationing system have threatened to upset the economic equilibrium of the country, stimulate black markets, interfere with production, and bring about higher rather than lower prices. And then, of course, there is the fiscal problem which must be very serious and growing even more so, with the issuance of additional bank notes as the only means of filling the breach.

It goes without saying that the Chinese are heartily sick of the war, that they want it to be over as soon as possible. It seems very obvious that they are disillusioned by what has happened since Pearl Harbor. They thought that would mean quick defeat for Japan whereas in fact their lot has been made more difficult in some respects. Surveying their own internal problems which are legion and growing ever more complex and serious, they are beginning to wonder whether they will be able to hold together until Japan is defeated. They are driven to despair when they admit to themselves that the war against Japan must go on for another three or four years—a period that seems an age to a people who have already endured the vicissitudes of war for six years, a people who have exchanged manpower and space for time. But the sands seem to be running out and unless there is a stimulus injected from some direction the will to fight on may collapse in the ruin of the political and economic machine that has enabled China to fight on thus far.

The Chinese, in desperate straits as they are, are not encouraged by the thought that an Allied victory in Europe is a common victory in which they share. And they are most certainly not encouraged by the slowness with which they feel that the European campaign is proceeding. They of course want more action against Japan and they want it soon. They may want it in order to take Japanese pressure off their backs (which is in fact more pressing from an economic and financial position than from a military point of view), but I believe that they want decisive action against Japan in the near future because they feel inwardly that they cannot go on supporting the war in even its present relatively quiet atmosphere very much longer.
The Chinese are not only driven to pessimism and despair by the policy of despatching Hitler first, but also because of the seeming lack of concrete assistance given to China at this time. Speeches such as that made not long ago by Prime Minister Churchill do incalculable harm; they tend to shatter the spirit and morale of the Chinese people and such utterances, worse still, tend to cause the Chinese people to have less confidence in their leaders.

I believe that the Chinese people still have faith in the United States, in the utterances of President Roosevelt. They believe even yet that the United States will come to their rescue. But it is a matter for speculation as to how long they will continue to feel that way. As you know, the Chinese people as a whole—those who are articulate—have no confidence and faith in the policies and attitudes of Great Britain and Churchill; they feel that Britain fears the rise of a strong China, wants China to remain in a semi-colonial status; they believe that Britain will continue its colonial policy after the war. That feeling on the part of the Chinese people is, if anything, fostered by most Chinese leaders not excepting the Generalissimo himself. There is also an abiding distrust of the Soviet Union prevalent in official and private circles, a distrust abetted by the thorny problem of the Chinese communists now astride of North China and possibly in a position to join hands with the Soviet Union by way of Manchuria if and when Japan collapses. It is an open secret that all this activity looking to the development of the northwest is not based on sound economic policy. The chances are about nine to one that the northwest will not sustain much economic development for the resources to justify large-scale developments do not appear to exist. The real reason for all the activity centered around the economic development of the northwest is political. The Generalissimo, looking to the future, apparently feels that it is necessary to build a barrier in the northwest to stop possible Soviet incursions. He may need such a barrier before he can undertake the work of clearing the Chinese communists from northeast China if that becomes necessary.

Getting back to the United States and its policy toward China, it seems to me that we should make a special effort to rejuvenate Chinese morale. The quickest way to do that is to increase our air power out here—if that is possible—and to hit the Japanese hard from the air. Another way to stimulate Chinese morale would be to recover Burma, but that has rather more long-range implications. We need to do something now. We should also, I believe, encourage the Chinese in every way possible to feel that we are coming to their rescue as
soon as we can, that we are exerting every effort to crush Japan as soon as possible. As I said above, the best way to demonstrate our good faith is to do it right here in China. The Chinese are glad to see us win victories in the Pacific and off Australia, but they are now tired and not so rational as they might be. They want something done here. If we could come in with powerful air support and create havoc among the Japanese and their installations, it would, I believe, revive the drooping morale of the Chinese. But even more important it would, I believe, revive their confidence in their leaders and probably put an end to the threatened defections of the sectional warlords and politicians who, believing that the opportunity is ripe, are apparently beginning to stir up and incite the people. This is a trend that will have to be stopped if we wish China to continue organized resistance to Japan, and we can play a large part in suppressing the secret ambitions of the warlords who place personal aggrandizement and gain above everything and who would bring back the reign of anarchy that existed after the downfall of the Manchu Dynasty. I realize that what I have said above is couched in a very pessimistic vein, but I feel very strongly that it reflects the present trend of events in this country. I do not wish to go on record as predicting that the Chiang Kai-shek regime will collapse tomorrow; it will probably be able to carry on for some time yet barring a widespread famine. But I do feel that the seeds of disintegration have been planted, that we should recognize that fact and the serious implications it holds for the United States and the other United Nations and that we should do all within our power—as we may be doing for all I know—to encourage and support the Chinese people and the Chiang Kai-shek government.

[Here follows report on unrest in Szechuan and Sikang and opposition of provincial military leaders to growth of authority of the National Government.]

Cordially yours,

EVERETT F. DUMRIGHT

893.105/94

The Chargé in China (Atcheson) to the Secretary of State

No. 1194

CHUNGKING, May 18, 1943.

[Received June 2.]

Sir: Referring to the Embassy’s despatch No. 1184 of May 14, 1943, in regard to the dispute between the Chengtu police and the troops of the Ching Pei Ssu Ling Pu, there is enclosed a copy of a

*60* Not printed.
further letter from the Second Secretary on detail at Chengtu,\textsuperscript{a} reporting increased friction between the two organizations.

Mr. Drumright reports that the incident described in the despatch under reference was followed by a clash resulting in the death of four police and the wounding of seven others. On May 1 there occurred another incident involving the police and the troops when the latter were prevented by the police from forcing their way into a private establishment on the grounds of the West China Union University campus. It is stated in the letter that tension prevails throughout the city as a result of the situation.

Mr. Drumright states that so far as he knows no action has been taken to remove or to discipline General Yen Hsiao-hu, the Commander of the Ching Pei Ssu Ling Pu and a member of the Szechuan military clique, but that some such move is necessary if the National Government is to retain any vestige of its prestige in that area.

There would appear to be increasing opposition on the part of the Szechuan military clique to the authority of the Central Government, and the recent visit of Dr. H. H. Kung at Chengtu and his reported call on Generals Pan Wen-hua and Liu Wen-hui, Governor of and Pacification Commissioner for Sikang, may be taken as an indication that the Central Government is fully aware of the implications in the situation and is taking action to relieve it. These two members of the Szechuan military group are reported by Mr. Drumright as being involved in this trouble at Chengtu and in the disturbances at Penghsien (see Embassy’s despatch No. 1104, April 26\textsuperscript{a}). In another letter dealing with general conditions in China, Mr. Drumright reports a well-informed Chinese observer as saying that General Teng Hsi-hou, the most powerful of the Szechuan militarists, is, however, still loyal to the Generalissimo and will unquestionably support him if an outright break should come.

In a personal letter to Mr. Vincent, Mr. Drumright says that with the absence of Provincial Governor Chang Chun in Chungking and with General Teng Hsi-hou, Pacification Commissioner for Szechuan, in a hospital for an appendectomy at the time of the clash between the police and the troops, the situation came very near to getting out of hand and that the tension continues notwithstanding that Governor Chang is in Chengtu and that Dr. H. H. Kung recently visited that place. General Liu Wen-hui, mentioned above as being involved in the matter, arrived at Chengtu from Yaan at the beginning of May.

Respectfully yours,

GEORGE ATCHESON, JR.

\textsuperscript{a} Not printed.
The Chargé in China (Atcheson) to the Secretary of State

[Extracts]

Chungking, May 18, 1943.
[Received June 12.]

Sm.: With reference to the Embassy's telegram No. 705, May 15, 10 a.m., concerning conditions in Honan Province, there is enclosed copy of a memorandum to the Embassy dated May 5, 1943, prepared by the Secretary on detail at Chengtu covering an interview with Dr. Robert McClure, a Canadian national who is a director of the Friends Ambulance Unit. Dr. McClure recently arrived in Chengtu from a trip that took him to Chengchow, Honan.

... Dr. McClure declared that the Communist forces are, if anything, less active than the forces of the National Government in opposing the Japanese in North China. He added that there is a great exodus of Chinese students from North China, chiefly from the Peiping area, and that the majority is proceeding to the Chengtu and Chungking areas.

Respectfully yours,

GEORGE ATCHESON, JR.

Chungking, May 19, 1943.
[Received June 12.]

Sm.: Reference is made to the Embassy's despatch No. 1185 of May 3, 1943, in regard to an attack by bandits on American citizens in Kansu, and to the Embassy's telegram No. 667 of May 8, 10 a.m. reporting minor revolts against Central Government authorities in several provinces in Free China.

There is enclosed a copy of a memorandum dated April 27 prepared by the Secretary of Embassy at Chengtu, on the subject of the rise of banditry in Kansu Province. Mr. Drumright describes

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Not printed.

The Second Secretary of Embassy on detail at Chengtu stated in his memorandum: "Dr. McClure says that units of the 'Eighth Route Army' are if anything less active than the forces of the National Government in opposing the Japanese in North China, and he remarks that the term 'Eighth Route Army' is now anathema to the Chinese residents of Shansi Province who have come to hate them for their alleged ill treatment of the people. Dr. McClure states that the feeling of the people in the vicinity of Wenshlang, Shansi, is particularly strong against the Chinese communists."

Post, p. 717.
the circumstances of the attack on the American missionaries mentioned above and the impressions of one of those Americans with regard to the general question of banditry in Kansu. The missionary in question estimates that there were approximately 4,000 armed men in the band which attacked the two missionaries and he described them as being well equipped with rifles and horses and well organized. The band was composed of local inhabitants, partly Chinese and partly Moslem, and was said to be robbing both travelers and the local populace. The informant believes that the chief cause of this uprising was economic but states that one of their avowed aims was to massacre and expel Central Government officials who are going to Kansu in increasing numbers. This uprising began approximately two months ago and the bandits are now in considerable numbers in western and southern Kansu, one of the bandits boasting that they number 30,000. The American missionary expressed the belief that the bandits are acting in collusion with the Ko Lao Hui and other secret societies in Kansu. At the time of his departure from Lanchow in late April armed bandits were within five li of the city and road communications with southern Kansu were completely severed with only an occasional vehicle arriving over the road from Sian.

Conflicting reports continue to be received by the Embassy concerning the situation in Kansu. Central Government officials state that the uprising has been subdued and that it arose chiefly through opposition of the peasants to the unfair procedure followed in carrying out conscription, the burden falling entirely on the peasantry and wealthier individuals being exempt. Those officials also express the opinion that the Communists have taken the opportunity to spread the revolt. American and other observers, however, feel that the disturbances arose both from conscription of peasants for labor service with the army and from the collection of tax in kind by the provincial officials. There seems to have been a particularly strong feeling against the Provincial Chairman, Ku Cheng-lun. According to the Embassy's information, the movement has not subsided but on the contrary has probably spread and the Central Government has rushed troops into the region from the Sian area and has employed planes to disperse the bandits. One American newspaper correspondent who traveled over the road from Chengtu to Lanchow at the beginning of the outbreak stated that the bandits roamed in groups of from 500 to 2,000, that the ineffectiveness of planes in quelling the disturbances did not augur well for the Central Government's hopes of successfully using such methods against the Communists after the war and that the bandits were difficult to apprehend because of the ease with which they were able to turn from bandit to peasant.
All observers appear to agree in the opinion that this uprising has no direct relation to other disturbances in Free China and that there has been no evidence of Japanese or puppet machinations.

While the various disturbances throughout Free China are not directly related, the picture taken as a whole is one of increasing unrest, of dissatisfaction with the Central Government and, perhaps most important, a general weariness from the strain of six years of war. Many Chinese observers now speak of the growing tension and the increasingly serious economic and financial strain upon the country as a whole. The friction between the Central Government authorities and the Szechuan military leaders (see Embassy’s despatch No. 1194 of May 18) has grave implications, for if the Central Government is unable to impose its authority in the province in which its capital is located, the situation in provinces more remote from the seat of the Government must be even less hopeful. Even should the Central Government easily quell the present local disturbances, the roots thereof will remain and unless the Government finds some solution of the problems confronting it other than through use of military force, it is not unlikely that there will be further instances of unrest which are certain to be used by the Japanese and puppets to advantage whenever possible.

Respectfully yours,

GEORGE ATCHESON, JR.

803.00/15020 : Telegram

*The Chargé in China (Atcheson) to the Secretary of State*

CHUNGKING, May 24, 1943—5 p. m.

[Received May 25—5:25 p. m.]

771. The announcement of May 22 of the dissolution of the Comintern has been very well received by Chinese officials. However, with their highly developed interest in post-war problems they seem generally to interpret it more in the terms of those problems as indicating Soviet willingness to cooperate in the postwar world than as a step forward which might have among other things practical application to certain of China’s present problems. Over the weekend I had opportunity to see socially a considerable number of important Chinese and I did not receive from their conversation any impression that consideration has been or will be given to realizing the Soviet action as a possible springboard for moves toward resolving the disension between the Chinese Communists and the Kuomintang. On the contrary in the opinion of some observers it seems not unlikely that Kuomintang reactionaries will not consider that further repres-
sive measures against the Chinese Communists may now, at least from the point of view of Sino-Soviet relations, be more safely applied.

Repeated to Kuibyshev.

Acheson

The Chargé in China (Acheson) to the Secretary of State

No. 1208

CHUNGKING, May 24, 1943.

[Received June 12.]

SIR: There is transmitted herewith a copy of a memorandum submitted by the Secretary on detail at Chengtu reporting a conversation of May 2, 1943, with Dr. C. W. Chang, Dean of the College of Agriculture and Forestry of the University of Nanking, in regard to general conditions in China. Prior to the conversation Dr. Chang had been in Chungking for a month during which time he talked with Generalissimo Chiang Kai-shek and many other prominent Chinese officials.

Dr. Chang stated that the fiscal situation is the cause of great concern to the Central Government, for it can hope to raise no more than half of its budget of CN $36,000,000,000 through taxation. Opposition to the efforts of the Government to increase present taxes and impose new ones, together with the possibility of an increase in taxes being used by dissident elements to stir up trouble among the people, forces the Government to proceed cautiously.

With regard to the recent disturbances in Kweichow, Szechuan and Kansu (Embassy’s telegram No. 667, May 8, 10 a.m.), Dr. Chang expressed belief that they were instigated by powerful elements opposed to the Chinese Government. He pointed out that the Chinese people are becoming war-weary and disillusioned because of deteriorating internal conditions, the apparent lack of assistance from abroad and the apparent American and British policy of crushing Germany first and Japan afterwards. With the morale and spirit of the Chinese people at a low ebb, local political groups, seeking personal gain and power, appear to be inciting the people to oppose the Central Government and to be causing local unrest. Dr. Chang expressed belief that the most important factor upon which depends the success of the Central Government in overcoming its present difficulties is this year’s harvest. Given unfavorable crops, the Central Government may find it impossible to maintain the unity and peace necessary to continue the war.

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*Copy sent to Lauchlin Currie, Administrative Assistant to President Roosevelt.

*Not printed.
In the international field, Dr. Chang outlined the attitude of the Chinese toward the other major powers, asserting that the former consider the United States to be the only real friend China has among the world powers. Great Britain and Soviet Russia are viewed with suspicion and the Generalissimo's plans for the development of the Northwest arise partly from suspicion of Soviet Russia and the desire to establish a bulwark against possible Soviet menace.

The informant includes the Chinese Communist Party among the elements seeking to discredit and destroy the Kuomintang and the Central Government. He stated that they now control parts of Shansi, Shensi, Hopei, Shantung and Kiangsu and that their eventual aim after the defeat of Japan is to extend their control to Manchuria. He charged that the Communists are now cooperating with Wang Ching-wei in endeavoring to expel General Han Teh-chin and his Central Government troops from northern Kiangsu. He was of the opinion that the Communist system of land tenure will alienate the support of the local populace in North China and that with the lack of that support they cannot remain in control of that area.

The Embassy concurs with the general thesis of the above-described conversation and feels that there is an increasing awareness among the Chinese of the strain of six years of war with its concomitant of rising prices, a steadily deteriorating economic and financial situation and a feeling that the China war theater has been completely subordinated to other war zones with respect to any appreciable military aid from the United Nations. The roots of the unrest in various parts of Free China are chiefly economic and it has not been difficult for dissident elements to take advantage of the opportunity to spread disaffection. The instigators have thus been both those provincial elements which have long resented the encroachment of the Central Government and Japanese and puppet agents who are motivated by a desire to destroy the Chungking Government. The Chinese Communists are convinced that, in view of the anticipated efforts of the Kuomintang to seek the liquidation of the Communist Party and its army through negotiations or by force at the first favorable opportunity, their role vis-à-vis the Kuomintang can never be that of a legal minority party with participation in the Government (Embassy's despatch No. 1179 of May 13). It would be surprising, therefore, if the Communist Party failed to utilize opportunities to undermine the Kuomintang, but it does not necessarily follow that the Chinese Communists would cooperate with puppet elements in order to overthrow the Central Government. The Communists would have nothing to gain from the cessation of organized resistance to Japan which would result from a capitulation by the Chungking Gov-

\[67\] Not printed.
ernment, and the Communists are not sufficiently strong in numbers or in equipment to force the issue with the Central Government.

Conflicting reports continue to reach the Embassy with regard to the attitude of the people in north China toward the Communist Party and its policies. Some Chinese and the majority of foreign observers who have lived in or passed through that area depict favorably the attitude of the local populace toward the Communists and Communist activity in that area (Embassy's despatches No. 996 of March 15 and No. 1042 of April 2) and state that Communist forces are much more active in guerrilla operations than Central Government troops. Other Chinese harbor a deep-grained suspicion of the Communists and criticize them for their policy of land confiscation and treatment of the Chinese people. It is difficult to reconcile the two divergent views, but in any estimate of the Communist position and the Chinese attitude toward the question there is to be considered the accumulated effect of years of Kuomintang propaganda against the so-called "red bandits" and the natural suspicion which exists with regard to Communism.

Respectfully yours,

GEORGE ATCHESON, JR.

893.001/168: Telegram

The Chargé in China (Atcheson) to the Secretary of State

CHUNGKING, May 30, 1943—11 a.m.

[Received May 31—9:33 a.m.]

811. Embassy's 809, May 29, 2 p.m. and previous. Illness of President Lin Sen. At an extraordinary meeting of the Standing Committee of the Central Executive Committee held last night, May 29, decision was taken to insert a provision in organic law of the National Government to the effect that the President of the Executive Yuan (General Chiang Kai-shek) shall act on behalf of the President of the National Government in case the latter is incapacitated by any cause. The provision was subsequently promulgated by a National Government mandate and General Chiang is accordingly acting as (technically "on behalf of") the Chief of State without, however, assuming the title. It is now to be assumed that any difficulties in international, Party, and Government politics which might have been anticipated in the expected event of Mr. Lin Sen's death have been resolved for the time being and will not arise until and unless decision is taken by Chiang and the group in control to select a substantive

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*Neither printed.
**Telegrams not printed. President Lin Sen suffered a stroke on May 12. A message of concern, sympathy, and hope for his early recovery was sent by President Roosevelt on May 13.
replacement for the President other than the Generalissimo himself. The promulgation of the new provision of the organic law has been made public.

Aitcheson

893.44 Chiang Kai-shek/109

The Chargé in China (Aitcheson) to the Secretary of State

No. 1220

Chungking, May 31, 1943.
[Received July 15.]

Sir: With reference to the Embassy’s dispatch No. 1064 of April 8, 1943, to the Embassy’s telegrams No. 527, April 18, 10 a.m. and No. 781, May 25, 6 p.m. and to the Department’s telegram No. 632, May 18, 5 p.m. in regard to Generalissimo Chiang Kai-shek’s book entitled China’s Destiny, the Embassy transmits herewith, in accordance with the Department’s request, the original Chinese text of that book and a copy of a condensed translation thereof. The translation was made by the British Embassy at Chungking which requests that its source be kept confidential.

Summary. China’s Destiny shows preoccupation with China’s past treatment by Japan and other foreign powers, determination to make the country militarily and economically strong, conviction that this can be accomplished only through unity under the leadership of the Kuomintang and belief that Western culture, with the exception of science, is unsuited to China. Despite the narrowness of the views expressed, Kuomintang praise of the book has been extravagant and there are indications that the book will become a second “Bible” of the Party. The important share of the reactionary Tao Hsi-sheng in the writing of the book is generally known and the book has created strong resentment among Chinese intellectuals for its lack of vision and progressiveness. It is understood that an English version of the book will not be published either in China or abroad because of anticipated unfavorable foreign reaction and that present plans are to revise the Chinese text and publish an English version thereof.

Contents of “China’s Destiny”.

There is also transmitted herewith a brief digest of the book prepared by this Embassy. It is interesting to note the differences in this digest and that published by the Central News Agency (Embassy’s despatch under reference) which was handed to foreign press correspondents by the Ministry of Information. Obvious differences are the omission of references to the necessity of one-party rule (i.e. the Kuomintang), the emphasis on ancient Chinese culture versus western culture, the passing over of the worst anti-foreignisms and the almost

\(^{70}\) None printed.
\(^{71}\) Not printed.
complete omission of any reference to the rights of man and government by law. The section of the book devoted to the last-named subject indicates the rejection of the doctrine of liberty and the rights of the individual as known in liberal western nations.

Tao Hsi-sheng’s Share in the Writing of the Book.

It is generally believed that Tao Hsi-sheng made the largest contribution to the writing of the book although informed observers agree that the views expressed are entirely those of the Generalissimo. Tao has a background as a long time supporter of Wang Ching-wei and he is said to share Wang’s pro-Fascist ideas. When the Chinese Government moved from Nanking to Hankow in 1937, Tao together with several former Blue Shirt adherents formed a small “literary” society for the purpose of combatting the then strong influence of left-wing writers. He joined Wang Ching-wei at the time of the latter’s desertion of the Chungking Government in 1938 and remained with him for some time at Nanking. In 1940 Tao fled to Hong Kong (Embassy’s telegram No. 51, January 17, 7 p.m., 1940 *) and “exposed” the terms of the agreement reported to have been reached between the Nanking puppet regime and the Japanese. Since Tao’s return to Chungking, he is said to have become a trusted adviser to the Generalissimo and is regarded as close to the reactionary “CC” clique headed by Chen Li-fu and Chen Kuo-fu, which is commonly considered the most powerful single faction on the Chinese political scene. The book reflects the attitude of the “CC” clique toward questions of economics, industrialization, western liberal thought and the revival of the “ancient virtues” with its emphasis on national defense and industrialization rather than on agrarian reform.

Chinese Reaction to “China’s Destiny”.

There is widespread and strong resentment against the book among Chinese intellectuals and some Kuomintang officials are reported as saying that the book was intended for Chinese consumption and not for foreign readers. It is the evident intention of the Kuomintang to make of the book a Party “Bible” as a companion text to the San Min Chu I of Dr. Sun Yat-sen. Kuomintang praise of and publicity for the book, has been extravagant.

As an example of Party publicity for the book, there is transmitted herewith a translation of a special article from the Central Daily News (Kuomintang organ) and a translation of excerpts from two other articles published by that journal. The special article the writer states that the book has carefully described the defects of liberalism and communism; that western nations may misunderstand

* None printed.
the book when a translation is published because of their idealization of liberalism; that even if they do misunderstand, “it is impossible for us to abandon our thoughts to follow them”; that each country has its own national conditions; and that “we oppose liberalism” but do not blindly and radically attack liberalism or individualism. The article goes on to quote the Generalissimo as saying “therefore, I hope that for the interests of the country and for the preservation of the nation, all will with one heart and one mind join together under the creed of the San Min Chu I and unite unanimously under the organization of the Chinese Kuomintang”. In one of the two articles, a translation of excerpts from which are enclosed, Tao Hsi-sheng states that “although we have often received directions from the Generalissimo’s speeches, his books or proclamations, yet the projection or [off] a whole policy is hard to find. In the future, we shall have a source (China’s Destiny) to which we may turn.” In the third article the writer states that “after the San Min Chu I, the best text book for political education is the Generalissimo’s China’s Destiny...” From this book all youths may get most accurate instructions.”

The volume of criticism of the book among Chinese intellectuals has been tremendous and in some cases extremely frank. Many of them have refused to read the book and others have felt that the Generalissimo is setting himself up as a “Sage” as well as a “Hero” and has thus invaded a field for which his background and intellectual attainments have not equipped him. They feel that he lacks vision and progressiveness and that the limitations of his intellectual capacities are clearly shown in this book. They are discouraged in that the Generalissimo should now endeavor to become an arbiter of morals and a philosopher and fear the increasing encroachments on liberal thought at the hands of those close to the Generalissimo. Dr. Sun Fo is reported by several sources as having made the following statement which may be taken as typical of comment in regard to the book: “The book criticizes communism; communism is the state philosophy of our ally, Soviet Russia. It criticizes liberalism; liberalism is the state philosophy of our allies, the United States and Great Britain. The book does not criticize Nazism and Fascism; these are the state philosophies of our enemies, Germany, Japan and Italy.”

Communist representatives at Chungking state that the Communist Party has instructed its members to read the book as the best possible source of propaganda for their cause.

Foreign observers criticize the book as biased and antagonistic toward foreigners. Some foreigners state that it represents a perni-

* Omission indicated in the original.
cious misuse and misinterpretation of history for political purposes and feel that it might be beneficial both to China and to friendly nations to have an English translation published, thereby revealing the Generalissimo in his true light and thus bringing to other nations a full realization of the forces controlling China. Americans close to the Generalissimo admit the book is suitable only for middle school students or party members and deplore the anti-foreign bias of the book. In this connection, there is enclosed a copy of a memorandum of conversation with an American member of the Ministry of Information translating section who has been closely connected with the unpublished translation of the original Chinese text.

Of more lasting importance than the anti-foreign tone of the book are perhaps the political beliefs held by the Generalissimo and his attitude toward liberal thought and western democratic forms of government as shown in the book. One Chinese comments that the book shows that the Generalissimo is really a Fascist at heart.

Publication and Distribution.

*China's Destiny* is published by the Cheng Chung Book Company (the name is a reversal of the characters of the Generalissimo's complimentary given name) which is controlled by the "CC" clique. Most of the books published by this company are political and party propaganda and books of the size of *China's Destiny*, with poorer print and paper, are usually priced at Ch$20. The book, which is priced at Ch$5, is obviously heavily subsidized. The copy being forwarded with this despatch is the 130th printing of the popular edition dated March 1943 and while no information is available in regard to the total number of copies printed it may be estimated at between 500,000 and 1,000,000. Free copies of the book are said to have been distributed to Kuomintang and Central Government officials. The Embassy finds that the sale of the book at Chungking ceased several weeks ago but has been unable to discover the reasons therefor. Some Chinese state that orders have been given to stop the sales but no confirmation of such report can be obtained from the bookstores.

The Embassy feels that *China's Destiny* is likely to make difficult the betterment of Sino-foreign relations in so far as the Chinese people are concerned. The resurrection, at a time when a nationalistic China is emerging, of wrongs done to China and their biassed presentation to the Chinese people cannot be conducive to a better understanding of the foreigner on the part of the Chinese masses who will inevitably be given the book as Party propaganda. The masses will be nurtured on propaganda and denied a free press and, in the absence of any impartial portrayal of China's past relations with the

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*Not printed.*
foreign powers, may be expected to be free of desirable influences which might break down the always latent mistrust of foreigners.

The Generalissimo's insistence on Kuomintang rule to the exclusion of any share in the government by other political parties and his denial of western liberalism should serve to convince all Chinese of liberal tendencies that there is little hope for them from the Kuomintang. The prestige of the Generalissimo has been greatly lowered in the eyes of the intelligentsia who in the past have felt that he served as a unifying force in China and that his concern was for political and military power. Now that he has emerged as what they term "a sage," they are discouraged to find him arrayed against them along with the already known reactionary elements of the Kuomintang.

The Generalissimo's identification of himself as the leader of the Party rather than of the nation has further lowered his prestige among Chinese liberals, but there exists in China a large number of persons who form the nuclei of the various party organs (such as the San Min Chu I Youth Corps, the Central Training Corps, Central Political Institute, Boy Scouts, police training schools, and the gendarmerie), who for the most part have had no contact with the outside world and who may be expected to accept blindly the material in this book. There should be included among this number many provincial officials who, while perhaps outside the fold of the Kuomintang, are probably equally receptive to the anti-foreign and political propaganda contained in China's Destiny.

As the book is being adopted by the Kuomintang as the source, along with the San Min Chu I, of all that the Party and its leader stand for, it may be conjectured that the book will perhaps serve a useful purpose in that the issue is now more clearly joined between reactionary and liberal forces in China than before its publication. By reason of it there now exists a declaration by the Generalissimo himself of the principles for which he stands and the policy which he intends to follow. Out of the discouragement of liberal elements in China there may grow a more solid opposition to the Kuomintang and there may eventually arise the leadership which is at present lacking. The only concrete opposition at present lies in the Chinese Communist Party and China's Destiny may serve the cause of all liberals in China, as the Communist Party feels it does for its cause, as the best possible source of propaganda. 77

Respectfully yours,

GEORGE ATCHESON, JR.

77The Chargé summarized this dispatch in his telegram No. 995, June 22, 4 p.m. (893.44 Chiang Kai-shek/102), and gave extracts "from the more reactionary portions of the book" in his telegram No. 996, June 22, 5 p.m. (893.00/15052). For Department's comment on the subject, see memorandum of August 9, p. 310.
The Chargé in China (Atcheson) to the Secretary of State

No. 1224

CHUNGKING, MAY 31, 1943.
[Received June 25.]

Sir: I have the honor to refer to despatches nos. 1184 of May 14, 1943, and 1194 of May 18, 1943, transmitting reports from Second Secretary Drumright at Chengtu concerning friction between the Central Government and Szechwanese provincial interests, and to transmit copy of a memorandum by Second Secretary John S. Service relative to the same general subject.

Summary: Recent difficulties between the Central Government and Szechwanese vested interests, a continuation of the friction which has existed since the Government moved to Szechwan, have been so serious as to necessitate the visit of Dr. H. H. Kung, Vice President of the Executive Yuan and Minister of Finance, to Chengtu to consult Szechwan leaders. The Szechwanese have four demands: a Governor suitable to them; equal treatment for provincial troops; local control of capital development; and reduction of land tax in kind and compulsory purchase of grain. Faced with the importance of Szechwan as the chief base of the government, the possibility of unrest, and the power for obstruction of the powerful local interests, the Central Government will probably make some concessions on at least the second and fourth points.

Respectfully yours,

GEORGE ATCHESON, JR.

Tihwa, June 5, 1943.

Tihwa, June 5, 1943.

Sir: I have the honor to refer to my despatch No. 3, April 22, 1943, in regard to the movement of National Government troops into Sinkiang Province, and to report that the regiment of Soviet Russian troops heretofore established at Hami, and Russian military and economic advisers to the Sinkiang Provincial Government, are being withdrawn to the Soviet Union.

Summary: The withdrawal evidently comes in the first instance as a result of early Chinese initiative, but the Russian version has in it a suggestion that the extent of Russian withdrawal may come in

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78 Not printed.
79 Enclosures not printed.
80 Copy transmitted to the Department by the Chargé in China in his covering despatch No. 1272, June 19; received July 16.
part from a Russian decision. There are indications that present developments may not be ultimately uniformly beneficial to China. The original Chinese move appears to have been rooted in a belief that the U. S. S. R. would either succumb to, or be very seriously weakened by, German military action against the Russian Army. The present indications are that such belief may not be more valid in 1943 than it was in 1942, and that in fact future developments in Europe may leave the Soviet Union free to begin reconstruction and fresh production while China is still at war. China has in the past received benefits from barter agreements, which included the extension of credits to China, with the Soviet Union. The Chinese political, and economic, situations are alike such that it stands in need of much assistance still [sic]. One form of assistance desired by China is military action by the Soviet Union against Japan, others comprise transport facilities, technical assistance, and goods. It is not in any event likely that war will at present break out between Japan and the Soviet Union, unless one or the other feels that such a war is an ineluctable necessity. If the present developments in Sinkiang result from something in the nature of a political contest between China and the Soviet Union, it is only logical to anticipate that in future the Soviet Union may prove somewhat less inclined to be of assistance to China—even where it might be able to assist. This situation affects the United States, which in the first place is presumably desirous that the Soviet Union at least maintain a “cooperative” attitude vis-à-vis United Nations interests in the Pacific area, and which in the second place is now being looked to by China to supply goods not at present available from the Soviet Union—as well as other materials. It is to be concluded that the National Government’s current move may not be an unmixed good for either Sinkiang or China; that perhaps it would have been a more profitable approach, politically, if the National Government had approached the Sinkiang problem more carefully. End of summary.

The situation affects the United States in more ways than one. It is presumably granted that it is in the ultimate interest of the United States, in the present circumstances, that the Soviet Union maintain an attitude which is at least “cooperative” vis-à-vis United Nations’ interests in the Pacific area. China’s policies vis-à-vis the Soviet Union, and the consequences they bear for American interests in the Pacific, are therefore of direct concern to us for political reasons. It is to be noted in addition, however, that the Chinese side is evidently now inclined to rely upon the United States, to the exclusion of the Soviet Union insofar as possible, economically as well as politically. In the present circumstances, Chinese hopes of economic assistance from the United States cannot be fully realized, if for no other reason than lack of transport facilities. I believe it probable that the Sinkiang Provincial Government was told by Chungking leaders in 1942 that American goods would enter the province to take the place of the Russian goods now lacking. It nevertheless appears unlikely that electrical machinery, etcetera can be obtained from the United States by Sinkiang in the near future any more than from the
Soviet Union. It is true that Sinkiang has not received any cotton-goods from the Soviet Union for the past year; however, interior China needs such textiles itself, and probably would not trans-ship any large amount to Sinkiang even if they were to be received from India or the United States. The basic premise of the Chinese side, by deduction that the Soviet Union is economically on its knees and that the United States is coming to the front with supplies of all categories for China, therefore places upon the United States an onerous burden which we have not sought and probably would not want in its entirety.

Long-term forecasts are admittedly not warranted under wartime conditions, where so many new—and often unexpected—events occur in rapid succession to change the general picture. It is further to be noted that the Chinese are moderately adept, in a myopic way, at trimming their sails to fit the political winds that blow, and they will probably endeavor to make adjustments as developments occur. In the light of recent developments, however, it should not be considered surprising if 1) Sinkiang's currency, now linked with the Chinese national currency, with the opening of the economic door into interior China, should in due course reach the same low level of the currency inside the Wall; 2) there should occur in Sinkiang, instead of continued implementation of the provincial Three-Year Plan, a goods famine which in certain categories would be more severe than in interior China itself; 3) the Soviet Union should in future prove somewhat less sympathetic and less helpful as regards those of China's economic and political problems in respect to which it might be in a position to lend assistance; and 4) those elements of Chinese sympathy for the United States which are based upon misconceptions or unbalanced exaggerations should deteriorate or quite disappear when we fail—as seems inevitable—to perform fully the tasks the Chinese themselves have set up for us. It will be realized, of course, that the last-cited hypothetical development would in fact most probably leave Sino-American relationships on a firmer, healthier basis than at present.\(^\text{52}\)

Respectfully yours,

O. EdMund CluBB

\(^{52}\) In a memorandum dated August 20 Mr. Augustus S. Chase of the Division of Far Eastern Affairs invited attention to "the final paragraph of the Consulate's despatch in which are recapitulated the possible effects for China and for the United States of China's precipitate action to eradicate Russian Influence in Sinkiang." The memorandum was initialed by the Chief of the Division of Far Eastern Affairs (Ballantine), who underscored the word "precipitate".

332545—57—17
The Chargé in China (Atcheson) to the Secretary of State

No. 1241

CHUNGKING, June 8, 1943.

[Received June 25.]

SIR: I have the honor to transmit a memorandum 88 by Second Secretary John S. Service describing the unfavorable reaction among Chinese intellectuals to the increasing tendency of the Generalissimo to interfere arbitrarily in cultural matters and to the strict censorship and cultural control of the Kuomintang.

Scholars have traditionally formed a privileged and very influential class in China. They have had an importance far out of proportion to their numbers. The treatment which they have received during the past few years has caused them to lose “face”. Most of them, having had a modern education, dislike the present reactionary trend of that part of the Kuomintang (the C-C group) which controls education and propaganda and is apparently aiming at the exclusion from China of all but Western scientific knowledge. They especially resent the Generalissimo, whom they regard as a poorly educated man, setting himself up in statements to the people and in books such as the recent China’s Destiny, as a “sage”.

If, as seems to be the case, the Generalissimo and the Party have lost prestige and influence among the intellectuals, the effects may be expected to be felt among the people as a whole.

Respectfully yours,

GEORGE ATCHESON, JR.

The Chargé in China (Atcheson) to the Secretary of State

No. 1248

CHUNGKING, June 9, 1943.

[Received July 3.]

SIR: I have the honor to transmit herewith copy of a memorandum 88 reporting the views of a young, but fairly prominent, Chinese journalist concerning the dangers in the present situation in China.

Summary: Many of the members of the present government do not expect the defeat of Japan for at least four years. Because of the rapidly deteriorating economic and military situation in China, and because they now despair of significant assistance from America or Russia, these elements believe that China cannot continue to fight Japan for any such period. Their resolution is being undermined by the Japanese “appeasement” of Wang Ching-wei, by a definite military threat through Hunan and West Hupeh, and by periodic

88 Not printed.
offers of peace terms—the last of which was brought to Chungking by Wu Kai-hsein. The Government, he feels, in fact cannot continue to fight the war in the present way. Fundamental reforms are necessary or there inevitably must be some compromise with either Japan or Wang Ching-wei. In his opinion, the present reactionary government will never carry out these reforms: The only political group which could do so is the Political Science Group, which, unfortunately to his mind, is now out of favor and in a subordinate position.

The views here expressed are undoubtedly pessimistic. But they are believed to be significant as being those of an intelligent and well informed man whose business is political observation. They are a reflection of the obvious discouragement in Chungking among liberals and progressive minded officials.

The Political Science Group, on which this observer pins his hopes, is, as the Embassy has reported (see Embassy’s despatch No. 558, dated July 30, 1942), not a true political party but rather a loose aggregation of administrators and career officials of somewhat similar interests and views. Most of them are foreign trained and tend to be “Western” in attitude and their approach to political, social and economic problems. Not, generally speaking, very liberal—or even greatly concerned with political theories—they can at least be called more “enlightened” than the present groups which appear to dominate the government. It is quite likely that they might give China, as the informant thinks, a better government than the country now enjoys, and bring about certain needed agrarian, taxation, conscription and anti-inflationary reforms. They might even be willing—though many of their number are by reputation strongly anti-Communist—to re-enter into cooperation with that party. But to hope for their being given control of the government, in the face of present trends within the Kuomintang and the government and their own recent loss of important positions, seems to fail a little short of political realism.

Respectfully yours,

GEORGE ATCHESON, JR.

761.03/1720 : Telegram

The Ambassador in the Soviet Union (Standley) to the Secretary of State

Moscow, June 15, 1943—10 a. m.

[Received 1:45 p. m.]

663. The following telegram, signed Ward, has been received from Vladivostok.

54 Foreign Relations, 1942, China, p. 211.
55 Angus Ward, Consul General at Vladivostok.
“65, June 11, 11 a.m. Chang, my Chinese colleague, informs me in confidence that the Chinese Consulate[s] at Alma Ata, and Ixhan [Ili and?] Semipalatinsk and Tashkent, as well as that at or near Minusinsk, which until recently ignored the Chungking Government and recognized only the Sinkiang government, have now placed themselves under the Chungking Government. From some of his remarks I gather that this change was made at the instance of or with the assistance of the Soviet Government for the purpose of improving Moscow—Chungking relations. The pro-Sinkiang elements among the staffs of the above mentioned Consulates are being dispersed among the pro-Chungking Consulates (a Consul at Alma Ata is being transferred to Vladivostok as Vice Consul and the Vice Consul here is being sent to Minusinsk as Consul). The Consulates at Novosibirsk, Chita, Blagovyeschensk, Khabarovsk and Vladivostok have been and remain pro-Chungking. Chang himself is an ardent Chungking supporter. The release of large numbers of Chinese who have been imprisoned in Siberia, principally in the Kolyma River basin, is further indication of the desire of Moscow to improve relations with Chungking. Released Chinese prisoners are stated to be passing eastwards through Novosibirsk en route to Tashkent and other Central Asian points at the rate of approximately 15 daily. The greater portion of these prisoners were, I am told, refugees who fled from Manchuria to Siberia during the Japanese invasion of 1931–1932. They were arrested, imprisoned and sentenced to penal servitude of several years for having entered the Soviet Union illegally. Upon completion of their sentences and after being at liberty for several days they were again arrested and sentenced for violation of police registration regulations. (Practically none of the refugees possessed passports.)”

Repeated to Chungking.

STANLEY

800.00B Communist International/300

Memorandum by Mr. Augustus S. Chase of the Division of Far Eastern Affairs

[WASHINGTON,] June 16, 1943.

Information received by the Department indicates that the differences between the Chinese Communists and the Chinese National Government at Chungking are probably of too fundamental a nature to be susceptible of adjustment by amicable negotiation. While an armed clash does not yet appear imminent, it is increasingly apparent that Chungking is determined to liquidate the Communists, and that, if the extreme anti-Communist elements in the Kuomintang retain their present influence, Chungking will not hesitate to attempt to suppress the Communists by force at some favorable opportunity.
The attitude of the Soviet Union toward the dispute is of course a factor of vital importance, upon which the outbreak and the outcome of civil war between the Chinese Communists and Chungking might well depend.

Information on the recent relations between the Chinese Communists and the Soviet Union is extremely limited and provides no indication of the extent to which the Soviet Union has supported, and might continue to support, the Communists in their present conflict with Chungking. Reports from available sources in China throw no light on the subject. However, it does not appear that the possibilities of obtaining information from sources in Russia have been exhausted.

The attached draft telegram to Moscow \textsuperscript{88} has been prepared in the light of the foregoing considerations. It is believed that such an effort to elicit what information on this subject may be available to the Embassy is timely in view of the recent dissolution of the Comintern.

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800.00B Communist International/300: Telegram

\textit{The Secretary of State to the Ambassador in the Soviet Union (Standley)}

WASHINGTON, June 18, 1943—9 p. m.

455. The Department would be interested in any indications of the effect which the dissolution of the Comintern may have on the attitude of the Soviet Union toward the so-called Chinese Communists and their relations with the Chungking Government. While it is realized that official statements will probably not be available, it is thought that something of interest might be obtained from newspaper editorials and from a study of news coverage of events in China. For example, a comparison of the volume and character of news concerning guerrilla operations of the Communists published prior to and after the dissolution of the Comintern might prove informative. If available please forward editorials and sample news items.

In this connection any information of the presence in Russia or departure therefrom of Chinese Communists (party representatives, students, et cetera) would also be of interest.

It is possible that, in lieu of the term “Chinese Communists”, Soviet newspapers may employ other titles, including: Eighth Route Army; Eighteenth Group Army; New Fourth Army; Shensi–Kansu–Ninghsia Border Region; Northwest Border Area; and guerrillas or partisans.

HULL
\end{flushright}
\end{footnotesize}

\textsuperscript{88} Telegram No. 455, \textit{infra}.
Chungking, June 18, 1943.

[Received July 15.]

Sir: There is enclosed, as an example of an unusually bitter attack on the Chinese Communist Party, a partial translation* of a special article from the May 27, 1943 issue of the Lanchow Kansu Min Kuo Jih Pao entitled “Two Attitudes Toward Religion”, written by Pan Kung-chan, member of the Central Executive Committee of the Kuomintang.

The main points of the article are as follows: (1) Communism is in its nature fundamentally opposed to religion (to blame the Communist Party for opposition to religion is like blaming a prostitute for being unchaste). (2) The Kuomintang safeguards religion and is for that reason accused by the Communists of being out-of-date in its thinking. (3) The Chinese Communist Party has made an opportunistic and temporary change in its tactics with respect to religion. Apparently adopting a policy of toleration it in reality is attempting to destroy all religions by playing one against another. The Chinese Communist Party has selected the Muslims for special attention, fostering the false idea that they constitute a separate race. They do this because the Muslims constitute a forceful and cohesive community which the Communists wish to pit against the Han Chinese; the Communist Party, in this respect, is like a person of cannibal habits who fattens children in order later to nourish himself with their roasted bodies. The writer then expresses his confidence that the Muslims, being intelligent, will surely distinguish who is their savior and who is Satan, who is false and deadly and who symbolizes truth and love.

This article was presumably published in Lanchow because of that city’s large Muslim population and its location near Communist-controlled territory.*

Respectfully yours,

George Atcheson, Jr.

* Not printed.
* In a memorandum dated July 27 Augustus S. Chase of the Division of Far Eastern Affairs made comment on the contents of the article: “It is an hysterical outburst which gives the impression of being inspired less by sincere conviction in the assertions made than by anxiety over the influence of the Communists among Chinese Mohammedans.”
The Chargé in China (Atcheson) to the Secretary of State

CHUNGHKING, June 24, 1943—2 p. m.
[Received June 26—11:40 a. m.]

1012. 1. In a recent conversation with an officer of the Embassy General Lin Piao, Communist Party representative from Yenan, made comment in regard to Kuomintang-Communist relations as follows:
   Chiang Kai-shek, during a conference on June 6 with Lin and General Chou, Communist Party representative at Chungking, informed them that his views regarding the differences between the two parties had not changed; that is, the Communist Party should give up its government and army, the party to be given the choice of joining the Kuomintang or of becoming a minority party like other parties now existing in Free China. (Although Lin came to Chungking in October 1942 at the invitation of the Generalissimo, as reported [by] Embassy's 654, May 6, 10 a. m., Lin has seen Chiang only three times and has been waiting for this final interview for more than 6 months.) The Gmo did not present other terms as a basis of discussion of differences.

Lin and Chou plan to depart for Yenan within a few days to discuss matters with Communist leaders there. The former is not optimistic that a settlement can be reached but he does not, on the other hand, think that a clash is imminent. He is of the opinion that the Gmo will have to take into consideration a world trend toward democracy arising from the anticipated United Nations victory and that Chiang will not attempt liquidation of the Communists by force even after the war, although he admits that such a possibility cannot be completely dismissed.

2. According to an informed source close to the Communist Party, Lin and Chou are returning to Yenan at this time in order to obtain Communist agreement for some statement to be released at Chungking on July 7, the anniversary of the beginning of the Sino-Jap war, indicating that Kuomintang-Communist relations have improved. This informant states that Chou feels the need of acquainting himself at first hand with conditions at Yenan and of giving the Communist leaders the real picture of the situation at Chungking. Lin and Chou are proceeding with four truck loads of non-military supplies, two of them medicines. (The Central Government authorities have not heretofore permitted the shipment of medical supplies to Yenan for some time.)

3. During the conversation above mentioned Lin made the following additional remarks: general developments in China now depend, and after the war will continue to depend greatly, on international
developments (for example, American air victories in China boost Chinese morale and spirit and strengthen the hands of the Chungking Government against the puppets and dissident provincial elements). China can and will continue to resist Japan because the Chungking authorities realize that a negotiated peace with Japan would bring civil war and worse conditions than those which exist at present and because they feel assured of a United Nations victory. Chungking's lack of military effort against Japan is to be adversely criticized. The Central Government favors a Jap attack against Soviet Russia (this is unlikely) which would require troop withdrawals from China and permit Chungking to occupy the evacuated areas including North China. Liberal elements exist in China, even in the Kuomintang, and this gives hope for the future of democracy here.

Atcheson

711.93/533

Memorandum by the Second Secretary of Embassy in China (Davies), Temporarily in the United States

THE AMERICAN STAKE IN CHINESE UNITY: PROPOSALS FOR PRELIMINARY AMERICAN ACTION

Summary

The following memorandum discusses the basis of the present hostility between the Central Government of China and the Chinese Communists. It goes on to examine the probable culmination of this mutual antipathy in civil war. The conclusion is reached that, if civil war occurs, the Soviet Union will probably go to the support of the Communists and the United States will find itself backing the Central Government and so set against Russia.

In view of the risks to the United States implicit in the present trend toward civil war in China and in view of our complete lack of official information, both political and military, from the Chinese Communist area, it is recommended that a consulate general be established in Chinese Communist territory and that a military observer's mission also be sent to that area. These two recommendations are preliminary actions. Any decision regarding a more positive policy toward the Central Government and the Chinese Communists should probably await and be based upon intelligence from the political and military observers.

The Chinese Communists

The Chinese Communist Party was formed during the early 1920's as a workers' party. With Russian support the Party grew in
strength. Chiang Kai-shek’s 1926 northward campaign from Canton to the Yangtze valley—the campaign by which he came into power—was Communist in character. The Party political leaders, with their Russian advisers, set up a government at Hankow. Shortly after, in 1927, Chiang turned against the Party, having formed an alliance of power with Shanghai big business and banking interests. From that time onward until the establishment of the united front he attempted to crush the Communists.

Under pressure from Chiang’s troops the Hankow regime collapsed and the Communists were dispersed. The Russian advisers returned to the Soviet Union. The Communists then operated as a primarily agrarian movement in a number of small rural areas in central and eastern China. Their principal center embraced several counties in southern Kiangsi Province.

The Generalissimo visited Sian in December 1936 in connection with his plans for further campaigns against the Communists. At Sian he was kidnapped by Manchurian elements under the command of Marshal Chang Hsueh-liang. The Communists interposed in the negotiations between the Manchurians and Chiang and as a result there was established, following the release of the Generalissimo, a united front. By the terms of the agreement the Communists recognized the Generalissimo as the leader of all China, including Communist China, in united resistance to further Japanese encroachments. They abolished the Red flag and administrative and military terminology which would suggest that they were a separate government. They retained, however, a wide degree of administrative autonomy in that portion of Shensi Province which they occupied.

In the first year and a half of the Japanese invasion of China, Chiang, generally speaking, lost in north China the urban centers and lines of communications to the Japanese and the rural areas to the Communists. Most of the Central Government officials in areas through which the Japanese passed fled or went into the services of the enemy as puppets. By this process the Chinese Communists have come to control more territory than they ever have.

Present Communist area is estimated by American military sources to total about 120,000 square miles. It is further estimated that approximately 25,000,000 people are now living in Communist-controlled territory. The strength of the Communist Eighth Route Army is placed by American military authorities at 60,000–100,000. The Communists themselves claim that they have well over 1,000,000 men under arms. This figure, which is probably an exaggeration, includes guerrillas and armed peasants.

Chinese Communist policy appears to have followed the Comintern line. In its initial expression the policy adhered to the program of
world revolution. With the Comintern’s abandonment of this program, the Chinese Communists embraced in 1935, in compliance with Moscow directives, the policy of the united front.

The new line, so far as it applied to Asia, was in all probability prompted by the Kremlin’s realistic appraisal of the Soviet Union’s position in the Far East. Russia was threatened by Japan. The Japanese Army had with its Manchurian adventure apparently decided upon a policy of continental expansion. Confronted by a strong Russian Army in eastern Siberia, the Japanese seemed to be intent upon outflanking the Russians through China. China could not be expected to offer strong resistance to Japanese expansion so long as it was torn by internal dissension. It was therefore evident that China should become unified and actively resist Japanese pressure westward.

As the Chinese Communists moved away from world revolution to nationalism they also moved in the direction of more moderate internal political and economic policy. Whether these other moves were in compliance with Comintern dictates is less material than that they were historically and evolutionarily sound.

The Communists have for some time admitted that China cannot make an immediate transition from its present political and economic forms to communism. They maintain that China is a semi-feudal agricultural country and that before it can attain to communism it must pass through a period of bourgeois democratic nationalism. Their immediate aims are therefore the realization of democratic processes in China. In economic life they advocate the retention of private ownership and individual enterprise.

Foreign observers (including Americans) who have recently visited the Communist area agree that the Communist regime in present policy is far removed from orthodox Communism; that it is administratively remarkably honest; that popular elections are held; that individual economic freedom is relatively uncurbed; that the regime appears to have strong popular support and that it is described less accurately as communist than as agrarian democratic.

The trend toward nationalism is believed to be strongest among the troops and guerrillas who have been fighting the national enemy. Although we have no accurate information on the subject, it is suspected that the political leaders of the Party retain their pro-Russian orientation and that they are, notwithstanding the dissolution of the Comintern, likely to be susceptible to Moscow direction. This probable schism within the Party may prove at some later date to be of major importance.

The Central Government

The Central Government of China is based upon the political theory of Sun Yat-sen that, as China is not prepared for democracy, it must
pass through a period of political tutelage. Political tutelage is entrusted to the Kuomintang, the Chinese Nationalist party. Through corruption of the original intent of Dr. Sun, the party has become a mechanism whereby its members are placed and retained in office rather than as a mechanism preparing for popular participation in government.

Official position is appointive rather than elective. Nepotism and favoritism are rife. Graft and bribery are commonplace. Among officials of the lower-income brackets this is so because their salaries are inadequate to maintain a decent standard of living. Corruption among the higher officials springs largely from the Chinese tradition that graft is a perquisite of office and not necessarily dishonorable.

There is on the part of the average Kuomintang Government official a striking lack of social consciousness, of public trust and duty. This was revealed most recently by the Government’s callous attitude toward the people of Honan during the famine which occurred this spring in that province. The Kuomintang’s Central Government has, in short, done little to change the traditional attitude of the Chinese people that the Government is something to be endured rather than positively supported.

For the reasons outlined in the preceding three paragraphs it may be said that the Central Government does not have a popular base. This is in contrast to the relations reported to exist between the Communist administration and the people.

Chiang Kai-shek, as distinguished from the Kuomintang and the Central Government which he dominates, is viewed with respect and admiration as the sole national leader. He has this hold because he personifies the national will to resist Japanese invasion and because he successfully maintains the fiction that he is above politics.

The truth is, however, that he is deeply involved in politics. He maintains his paramount position in the Government in the same manner that he attained it—by political manipulation of the various factions in the Kuomintang, in the Army and among various semi-autonomous provincial leaders. To this extent he rules by a system of balance of power.

By the same token he is, in a sense, a political hostage to the corrupt system which he manipulates—he cannot institute sweeping reforms without destroying the balance.

His present paramount position in the Central Government is perhaps more secure than it ever has been. But it is not so strong that at some later date he may not be challenged by a faction which may obtain control over a powerful military force.

The domestic picture thus far drawn is fairly clear-cut. It is one of contrast between and rivalry between Chiang’s Central Govern-
ment and the Chinese Communists. Other factors, however, are also to be considered. One is economic deterioration, which some observers believe may culminate in collapse of the Chiang regime. Such a collapse is not beyond the realm of possibility. But what pattern it would follow is difficult to predict. The most likely pattern would seem to be disintegration into sectionalism with areas along the periphery of Japanese control going over to the enemy and other sections remote from Chungking developing a regional autonomy. Such a situation might so weaken Chiang’s position as to render him vulnerable to an attempted coup d’état.

Chiang is aware of this risk. He is combatting it by attempting to ensure the economic well-being of the Central Government and Kuomintang bureaucracy. The bureaucracy is given special rice allowances. And as economic conditions become worse, greater emphasis is laid on party discipline. If Chiang is able to maintain the present economic level of the bureaucracy and the army and if he and the Kuomintang are able to maintain party discipline, he will probably be able to preserve his position despite continued economic deterioration. The citizenry may suffer, as the Honan peasants did this spring, but that will not necessarily mean the collapse of the regime.

Another threat to the Generalissimo is the liberal and anti-Kuomintang element in Kuomintang China. This element is understood to be fairly articulate in southwest China. Chiang is also aware of this risk. He is combatting it by secret police methods; through intimidation and regimentation of the intellectuals. It is safe to say, however, that in general the liberals are now so weakened through suppression and economic distress that they constitute only a contingent threat—that is, a threat contingent upon their being able to join forces with some more powerful dissident element, military or civilian, that may arise to challenge Kuomintang control.

Basis for Conflict

Grave as the threat of economic deterioration and collapse may be, they do not involve in the overall picture as great a risk to us as does the continuing rift between the Central Government and the Chinese Communists. The basis for this rift and potential conflict is discussed in the following three paragraphs.

The Kuomintang and Chiang Kai-shek recognize that the Communists, with the popular support which they enjoy and their reputation for administrative reform and honesty, represent a challenge to the Central Government and its spoils system. The Generalissimo cannot admit the seemingly innocent demands of the Communists that their party be legalized and democratic processes be put into practice. To do so would probably mean the abdication of the Kuomintang and the provincial satraps.
The Communists, on the other hand, dare not accept the Central Government's invitation that they disband their armies and be absorbed in the national body politic. To do so would be to invite extinction.

This impasse will probably be resolved, American and other foreign observers in Chungking agree, by an attempt by the Central Government to liquidate the Communists. This action may be expected to precipitate a civil war from which one of the two contending factions will emerge dominant.

Foreign Involvement

If Chiang and the Communists were to fight a civil war without external aid to either side there is little question that, unless it had by then been rendered impotent by the exhaustion of the prolonged war against Japan and by the centrifugal tendencies referred to above, the Central Government by sheer weight of arms would be able to crush the Communists. Such an eventuality is, however, unlikely for the reasons mentioned below.

It would only be natural that, should Chiang attack the Communists, the latter would turn for aid to their immediate neighbor, the Soviet Union. And as such an attack would probably not be launched until after the defeat of Japan, the Communists might expect with good reason to receive Russian aid.

This would be so because following the defeat of Japan Russia would no longer be threatened on its eastern borders, because the Kremlin's present need of Chiang Kai-shek's cooperation would have passed, because Stalin would then presumably prefer to have a friendly if not satellite Chinese Government on his flank, and because the Soviet Union would then have surplus arms in abundance for export.

A Central Government attack would therefore in all probability force the Communists into the willing arms of the Russians. The position of the political doctrinaires who have been subservient to Moscow would be strengthened by such an attack. The present trend of the Chinese Communists toward more or less democratic nationalism—confirmed in six years of fighting for the Chinese motherland—would thereby be reversed and they could be expected to retrogress to the position of a Russian satellite.

In these circumstances they would not be a weak satellite. With Russian arms, with Russian technical assistance and with the popular appeal which they have, the Chinese Communists might be expected to defeat the Central Government and eventually to take over the control of most if not all of China. It may be assumed that a Russo-Chinese bloc, with China as a subservient member of the partnership, would not be welcomed by us. The effect of such a bloc
upon the rest of Asia and upon world stability would be undesirable.

Chiang Kai-shek and his Kuomintang lieutenants fully realize the risks of an attack on the Communists. This may explain the reported statements of high officials in Chungking that they must prepare not only for the coming civil war but also for the coming war with Russia. Chiang and his Central Government recognize that they cannot defeat the Communists and the Soviet Union without foreign aid. Such aid would naturally be sought from the United States and possibly Great Britain.

We are of course already supplying Lend-Lease war materials to China. All of this equipment is being channelized to the Central Government. None of it goes to the Communists. Ironically enough Russian military supplies to China, also delivered only to the Central Government, have reportedly been given to the 400,000 Central Government troops now understood to be blockading the Communist territory—and thus immobilized in the war against Japan. American Lend-Lease supplies may be expected ultimately to be used for a similar purpose.

American Lend-Lease equipment already delivered and to be delivered during the future course of the war will probably, however, not be sufficient to guarantee a Central Government victory in a civil war in which the Russians would be aligned against Chiang. In these circumstances we may anticipate that Chiang Kai-shek will exert every effort and resort to every stratagem to involve us in active support of the Central Government. We will probably be told that if fresh American aid is not forthcoming all of China and eventually all of Asia will be swept by communism. It will be difficult for us to resist such appeals, especially in view of our moral commitments to continued assistance to China during the post-war period.

It is therefore not inconceivable that, should Chiang attempt to liquidate the Communists, we would find ourselves entangled not only in a civil war in China but also drawn into conflict with the Soviet Union.

Thus far we have scrupulously refrained from giving advice to the Chinese Government on this dangerous internal situation in China. The most we have done was cautiously to express concern over the Central Government's attempts during the winter of 1940-1941 to crush the "Communist" New Fourth Army. Mr. Welles reiterated this view in general terms during October 1942. Meanwhile Madame Chiang Kai-shek is appealing to the American people over the head of the President and the Chinese Foreign Minister is residing in Washington and frankly attempting to influence the formulation of American foreign and military policy.

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See memorandum prepared in the Department of State, October 12, 1942, Foreign Relations, 1942, China, p. 248.
Suggested American Action

We cannot afford to incur the risk of our present hands-off policy toward China. It is a policy of drifting with the course of events. We need a more positive policy, one in which we shall have a larger degree of control over the shaping of our own destiny in Asia. But before we can with assurance formulate such a policy—indeed, even before we can with any precision assess the risks confronting us in the Kuomintang-Communist rift—we must have our own official sources of information in the Communist area. The final decision on policy waits on this information.

No American civil official has visited the Chinese Communist area and no American military observer has traveled in it since 1938. We have been dependent upon unofficial travelers for our information about the Chinese Communists. While it has served to construct a consistent and probably accurate picture, it is not information which carries as much assurance as official intelligence. Certainly, if there is to be a turning on the part of the Chinese Communists toward the Soviet Union, we shall want the information of the first symptoms to come promptly and accurately. And that can be only from a skilled American political observer in Communist territory.

The Communist representative at Chungking, General Chou En-lai, has indicated on several occasions that an American political observer would be welcomed in Communist territory. The Generalissimo would probably not be sympathetic to a request for the despatch of a political observer to or the opening of a consulate general at Yenan, the Communist “capital”. He would, however, probably agree if we placed the request on the grounds of obtaining information and doing everything possible in regard to the welfare of Americans in Japanese-occupied North China and if we were insistent in our request.

Parenthetically it may here be observed that we have a stronger bargaining position with Chiang Kai-shek than we seem to be willing to acknowledge. He cannot desert us without disastrous result to himself and most of his principal supporters. We can, on the other hand, accomplish our immediate objective in Asia—the defeat of Japan—without his aid. We may have to in any case.

We need not only political information from the Communist area. We need also military information—an accurate estimate of Eighth Route Army and guerrilla strength, their present potential effectiveness against the Japanese, their future potential against the Central Government and an accurate estimate of what we ourselves may be able to do against the enemy in North China. It would therefore seem desirable to request the Central Government for permission to despatch a military observer’s mission to Communist territory.

The request could be based upon the necessity in planning operations against the enemy for a military survey of North China. It
might be pointed out that North China is an area of major strategic importance in the war against Japan; that it is that part of China closest to Japan; that we now have no airfields in North China; that we wish to survey in that area possible airfield sites; that the main strength of the Japanese Army is in Manchuria and North China; that we shall therefore probably have to fight the major action against the Japanese Army in North China; that it is therefore necessary for our Army to have first-hand information regarding conditions in North China; and that we wish to plan sabotage activities in North China.

The most effective approach to the Generalissimo with regard to the despatch of political and military observers to the Communist area would be from the highest American level in Washington through the Chinese Foreign Minister. It is felt that negotiations on this subject conducted by our representatives in Chungking would not carry so much weight as if they were initiated in Washington. It is assumed, of course, that, before making any move with regard to a military observer’s mission, General Stilwell’s approval would be sought. It is likely that he would support such a proposal.

JOHN DAVIES, JR.

[WASHINGTON,] June 24, 1943.

893.00/15056

The Chargé in China (Atcheson) to the Secretary of State

No. 1295

CHUNGKING, June 26, 1943. [Received July 16.]

SIR: There is enclosed a copy of despatch No. 1 of May 26, 1943, from the Consulate at Kweilin \(^{92}\) in regard to the seizure and detention by the Chinese Special Service Police at Kweilin of Mr. Sa Kung-liao, a former newspaper manager and editor.

Mr. Sa is described in the despatch as a well-known liberal who has for some years been associated with movements unsympathetic to the Kuomintang and who has consequently been on the Kuomintang’s blacklist. Formerly manager of a liberal publication at Hong Kong, he has been living in retirement at Kweilin since the fall of Hong Kong.

It is stated in the despatch that his seizure arose from the circumstance that he introduced two Chinese residents at Kweilin suspected by the Kuomintang of receiving funds from the Soviet authorities for subversive activities to two Soviet military officers of the Soviet

\(^{92}\) Not printed.
Embassy at Chungking during the latters’ recent visit to Kweilin. (It is rumored at Chungking that Mr. Sa was “guilty of giving too many dinners for foreigners” and that he was considered to be successively a spy for the British, the Soviet Russians and the Americans.) The Consulate’s informants believe that the charges against the two suspect Chinese are patently false. Shortly after Mr. Sa introduced the two parties to each other he was kidnapped by the Special Service Police and taken to a concentration camp where he is said to be detained pending the receipt by the Police of further instructions from Chungking.

It is indicated in the despatch that this action has convinced liberal elements at Kweilin that any open criticism of the Central Government authorities will be ruthlessly suppressed, by illegal means if necessary. These elements maintain that the conflict is not merely between the Kuomintang and the Communists but between the Kuomintang and all dissenting groups in China regardless of their importance.

The Embassy is of the opinion that this reported action is but further evidence of the Kuomintang’s resolve to maintain its power by the suppression of any opposing elements. There does not now exist in China any political group, except for the Communist Party, which is of sufficient power and importance effectively to oppose the Kuomintang. The Communist Party strongly believes that its army represents the only guarantee against its liquidation. Due to the present lack of any important liberal group and to the widespread use by the Kuomintang of its secret police, it would seem to be extremely difficult for any movement among purely liberal and democratic groups to make any progress in their efforts to achieve a position of power so long as that position threatened the control of the Kuomintang.

Any effective threat to Kuomintang control as exerted at present would, therefore, seem to be possible only from the Communists, from a break-up of the Kuomintang itself or from the withdrawal of support by various military groups within the army. Given the temper of liberal elements within China and with a continuation of present circumstances, the Communist Party might draw to it in a United Front effort the support of democratic groups in China. The Communists themselves feel that there are such groups with which they would be willing and able to cooperate and which may in time be driven to such action by the Kuomintang’s present policy. A split-up of the Kuomintang or the ascendency to power within the Party of its more liberal elements with the consequent decrease in the influence of the reactionary “CC” clique would similarly represent an improvement in the position of all liberal elements in China. The possibility of military factions striving for control after the war
cannot, however, be dismissed, for with the continued conserving of Chinese military strength, which is now felt by many observers to exist, and the delivery to the Chinese armed forces of additional Lend-Lease equipment those who control the armies will be in a strong position to dictate terms to any opposing group. Such an outcome of the struggle for power in China is viewed as a distinct possibility by some Chinese who add that Generalissimo Chiang Kai-shek would not in any case be eliminated from the scene but would remain as a symbol for those in power. There seems, however, at present, and probably until the end of a war from which China will emerge as one of the victorious United Nations, little likelihood of any change in the Kuomintang attitude and policy toward the liberal elements and in the existing political set-up.

Respectfully yours,

GEORGE ATCHESON, JR.

761.93/1720: Telegram
The Secretary of State to the Chargé in China (Atcheson)

WASHINGTON, June 29, 1943—3 p.m.

823. Reference Moscow’s telegram no. 663, June 15, 10 a.m. (which was repeated to you) quoting Vladivostok’s telegram no. 65, June 11, 11 a.m.

The Department would like to have any information you have or may be able to obtain on this subject.

HULL

893.48/4055: Telegram
The Chargé in China (Atcheson) to the Secretary of State

CHUNGKING, June 30, 1943—noon.
[Received July 1—noon.]

1059. Honan famine. In a dispatch dated June 14 the Embassy officer at Sian comments on Honan famine conditions as follows:

American and other observers feel that the worst of the famine is over but that rehabilitation problems will be stupendous. A good wheat harvest assures sufficient food and if the ample rainfall during the spring is followed by seasonable showers in the summer the fall crops of kaoliang, millet, maize and beans should be good. Although the famine conditions are ended, people are still dying in large numbers from malnutrition and recurrent fever (epidemic in some districts).
Foreign relief committees have ceased direct relief except in desperate cases and are concentrating on aid to orphans, widows and transients (transients are coming into unoccupied Honan from Hopei and occupied Honan due to failure of wheat crop there and this now constitutes one of the chief relief problems) and on free medical aid to transients. Relief committee at Loyang plans to embark on social rehabilitation program in the autumn when conditions may be worse than at present with return of further refugees who left Honan during the famine. The people have been scattered, much of the land has been bought up by wealthy landlords, homes have been destroyed and the killing of livestock has been a severe blow to the farmers. The foreign relief committee obtained a grant from the Chinese Government for the purchase and distribution of animals in areas where livestock had been slaughtered but recent reports indicate that Chinese troops stationed in those areas have been taking away the animals.

The heavy concentration of troops in Honan has been a heavy burden on the people through their oppression of the population, heavy exactions and plundering. The cost of living is still high but flour, which sold for Ch$1,000 a bag of 30 pounds at height of famine, is now $160. Foreign missionaries in Honan live on meager fare, not being able to afford meat and fruits.

Atcheson

892.00/15074

The Chargé in China (Atcheson) to the Secretary of State

No. 1310 Chungking, June 30, 1943.
[Received July 24.]

Sir: There is enclosed a copy of despatch No. 3 of June 4, 1943, from the Second Secretary at Sian on the subject of conditions in Kansu.

According to the despatch, American missionaries have reported that when they left there in May conditions in Kansu remained upset with the highway from Lanchow to Minhsien closed to traffic. The latter town was reported to be the center of disturbances, led by one Ma Tien-hsuan, directed against Ku Cheng-lun, Chairman of the Kansu Provincial Government. It is stated in the despatch that in all probability the people in Kansu are restive over conscription practices, taxes and the rising cost of living as well as increasing National Government control of the province. According to a Chinese source, six divisions of Chinese troops were being sent into Kansu to quell the disturbances.

*Not printed.*
Troops seen on the road from Sian to Lanchow by American observers were understood by those observers to be en route to Sinkiang. While well-equipped with rifles and machine-guns, their morale and physical condition appeared to be poor.

Respectfully yours,

GEORGE ATCHESON, JR.

893.00/15072

The Chargé in China (Atcheson) to the Secretary of State

No. 1312

CHUNGKING, June 30, 1943.
[Received July 24.]

Sir: There are enclosed a copy of despatch No. 2 of June 3, 1943 from the Second Secretary at Sian and a copy of a memorandum, transmitted therewith, of a conversation with General Hsiung Pin, Chairman of the Shensi Provincial Government. The despatch and memorandum deal with conditions in Shensi and with the Chinese communists, whose principal base is in the northern part of that province.

It is stated in the despatch that Shensi has been subjected to a very heavy drain on its supply of foodstuffs because, as a result of the Honan famine, it has had to provide a larger proportion of the food required by the large military concentrations in the northwest, which according to a Chinese source include twenty armies in Shensi and eastern Kansu alone. Prices in Shensi have been very high and the people increasingly restive, but peace and a measure of stability thus far have nevertheless been maintained there.

According to General Hsiung, the communists are enveloped on three sides by National Government forces and for that reason have been unable to expand their special area in northern Shensi. He stated that their armaments are inferior, that they are inactive against the Japanese and that as a result of their poverty they have led a very bitter existence and have been forced to produce opium for shipment to occupied areas. General Hsiung said he did not believe the communists could gain control of North China and Manchuria when the Japanese withdraw therefrom because they lack sufficient military strength and popular support and because the puppet forces under the command of Wang Ching-wei, with whom the National Government is in touch, will cooperate with the latter in opposing the communists.

Respectfully yours,

GEORGE ATCHESON, JR.

64 Neither printed.
65 In a memorandum dated August 13, 1943, Augustus S. Chase of the Division of Far Eastern Affairs observed: “Of especial interest is General Hsiung’s virtual admission that the Chungking Government has an understanding with Wang Ching-wei’s puppet forces which calls for joint opposition to the Communists following the withdrawal of the Japanese from north China and Manchuria.”
Memorandum of Conversation, by Mr. Robert S. Ward of the Division of Commercial Policy and Agreements

[WASHINGTON,] July 2, 1943.

Last night at a small informal dinner at the Statler Hotel, I sat next to Major General P. T. Mow. In the course of the evening Mow told a story from Chinese history of one of the great states taking advantage of a war between two smaller countries to allow them to exhaust themselves, whereafter the great state was able to take them both over. He had spent a year, he said, in Russia in 1925–26 studying military science there, and speaks Russian. Russia, he asserted, was to blame for the present war.* If she had not made a non-aggression pact with Germany, Germany would not have dared to fight in Europe and she was, he felt, to blame for Pearl Harbor also, because she had made a non-aggression pact with Japan prior to the latter’s attack. Japan would never have struck at the United States “if she had had to leave her back door open”.

Of lend-lease shipments to Russia by boat, he alleged that about two out of five go ultimately to Japan. Japan was supplying Russia with rubber in return.

General Mow went on to say that he was in Chungking when Willkie was there; when one of the guests interrupted to ask him if it was true that China was receiving as much aid from Russia as Willkie said—there was supposed to have been a line of trucks fender to fender on the road through Hsiungking bringing supplies to China—Mow replied, “I don’t think so. I don’t think there was a single truck. On the contrary,” he said, “Russia is getting stuff from China. She wants Chinese wool.”

When Mow was last in China he went one morning to see H. H. Kung. Mr. Kung was sick in bed and very angry. The Russian Ambassador had just left, having insisted on seeing Kung about a very important matter which turned out to be the arrangement for payment for wool purchases. The Russians were determined, Mow claimed, on paying for these shipments at the New York price, i. e., the lowest one, and at the official rate for Chinese currency, while they themselves bought this Chinese currency on the black market in China. Meanwhile, Mow claimed, for the gasoline which the Chinese were

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* Of the Chinese Purchasing Commission.
* This and other statements made by the General are quoted here not because they are believed to be true—the General himself must suspect the accuracy of some of them—but because of their importance as the reflection of an attitude of mind. [Footnote in the original.]
* Wendell Willkie, Republican nominee for President in 1940, who visited China and other countries in behalf of the war effort in 1942.
* Alexander Semenovich Panyushkin.
purchasing from the Russians they had to pay the current price in Chungking.

In 1938, Mow alleged, Russia had sent emissaries to Hsinking, where they forced Sheng Shih-tsa to sign an agreement giving to Russia all the tin in Hsinking province. Again last fall when Baku was threatened and Russia thought that she was losing her oil supply, she forced Sheng to sign another agreement leasing all the oil. In the negotiations for this agreement Sheng wired the Generalissimo and was told that China wanted to keep on friendly terms with Russia. Thereafter, however, two Russian tanks crossed the Hsinkiang border, according to Mow, and Sheng, after having reported the matter to Chungking, threatened to close all Russian offices in Urumchi. The Russians thereafter became conciliatory and a settlement was reached, Mow indicated, on a basis of a 50-50 division of the oil between Russia and China.

As asked by one of the guests if he believed Russia would lend her territory to the United Nations for use as air bases against Japan he replied that he felt certain that she would not do so, that she had no interest in helping America against Japan.

To another question as to whether he believed Russia would attempt to seize Chinese territory when she was free to do so, he replied, "Sure she will." He then drew a rough sketch map of China locating the province of Hsinkiang on it, and asserted that Russia planned (or was engaged in?) building air fields in southern Hsinkiang from which she intended, he claimed, to attack India.

He then went on to say that what Russia wanted was an outlet through the Persian Gulf—that if she went through the Baltic to the English Channel she would just be going through the English Channel (by which he meant that the channel would always be controlled by England) and that by going out through Vladivostok she would just be going through the Sea of Japan. At the Bosporus there was Turkey (barring the way). But the Persian Gulf was relatively more open, and (according to Mow) until she was attacked by Germany "Russia hoped that an Axis victory would give her the Persian Gulf."

General Mow also said that Russia had shown her hand in her attack on Finland and Poland, and if she had just been able to restrain herself in Bessarabia her plans would have worked out, but she moved too rapidly.

Russia's real object, according to Mow, was the spread of the doctrines of Communism. She wanted to make, he said, all other countries Communistic. The dissolution of the Comintern meant nothing; Russia no longer needed it: "The glass was already cracked."

General Mow claimed that a ranking American officer who had recently returned from Chungking had predicted that Russia would
show a definite interest in Northern Manchuria at the close of the war, and he recalled that when Matsuoka left Moscow after signing a nonaggression pact with Russia, Stalin saw him off at the station. That was, he said, a very rare thing and indicated how Russia felt toward Japan.

In comment on these observations three things may be noted—first, General Mow comes from Fenghua, General Chiang Kai-shek's home town. He attended the Whampoa Academy in Canton when Chiang was its president, and after Chiang came back from Moscow he went there. These associations with the Generalissimo are sufficiently close to suggest that Mow probably reflects the point of view of an influential group in the Chinese Army if not in fact that of the Generalissimo himself.

A second point of importance is the fact that all through the evening General Mow talked as if he considered Russia China's enemy rather than Japan. An outsider, listening to the conversation, would not have imagined that the guests were all of them nationals of countries at war with Japan; he would have concluded that Russia was the antagonist.

The third point of almost equal significance was the sympathy with which General Mow's remarks were received by the other guests. Everyone present except myself expressed at one point or another the heartiest approval of the General's statements. As an instance of this feeling, another of the guests, a high ranking officer of a wartime agency in Washington, expressed relief that a shortage of shipping would delay some of the lend-lease supplies which were going to Russia.

898.00/15043 : Telegram

The Chargé in China (Aitcheson) to the Secretary of State

CHUNGKING, July 2, 1943—9 a. m.
[Received 4:55 p.m.]

1066. Embassy's 1012, June 24, 2 p.m. In a despatch dated June 14 the Embassy officer at Sian reports information received from informed local military officials confirmatory of previous reports that there are large concentrations of Chinese troops at [in] Shensi, Honan and Kansu provinces; that the function of these troops is, in addition to guarding against Japanese incursion, the enforcement of a blockade against Chinese Communists in North Shensi; that the troop concentrations extend from Tungkwan, Honan province, southwestward through Sian and in a semi-circle into eastern Kansu at least as far as Kuyuan (east of Lanchow); that in the north the Communists are contained by Ninghsia Provincial and National Gov-
ernment troops; and that the blockade maintained against the Communist area is apparently as stringent as ever.

According to the informants cited, the Communists control all of Shansi north of Taiyuan except for some towns and lines of communications. The informants admitted the Communists have not recently clashed with Central Government troops and made the familiar accusation that the Communists employ unfair method in expanding the area under their control. One of the informants stated that there had been minor withdrawals of Japanese troops from Shansi and replacement of them by puppet forces with which the Central Government forces were in "constant contact".

ATCHESON

761.93/1722: Telegram

The Chargé in China (Atcheson) to the Secretary of State

CHUNGKING, July 3, 1943—noon.
[Received 12:07 p.m.]

1079. Embassy's 939, June 16, 10 a.m. In a despatch of June 15, Clubb at Tihwa reports that the Governor of Sinkiang has informed him that roughly three-fifths of the Soviet troops formerly stationed in the province had already reached the Soviet Union; that one-fifth were in movement toward the Sinkiang-Russian border; that the remaining fifth were temporarily in Hami; and that the Russian Air Force planes had not yet left and would probably comprise the last unit of the Soviet military establishment to depart. Governor Sheng stated also that all of the Soviet military and technical advisers had left Tihwa and that while some were still in other points in the province awaiting transportation they had ceased functioning.

According to the special Commissioner for Foreign Affairs at Tihwa, the Soviet troops and advisers were being withdrawn upon initiative of the USSR Government. The Commissioner stated that the Chinese had not requested that the Soviet troops be withdrawn and had in fact, upon learning of the proposed withdrawal of the advisers, endeavored to persuade the Soviet Government to continue the latter in service in Sinkiang. The Commissioner added that the advisers, whose number he gave as 112 for the entire province, had not exercised any political authority in Sinkiang.

Despatch follows.
Repeated to Moscow.

ATCHESON

*Not printed, but see despatch No. 11, June 5, from the Consul at Tihwa to the Chargé in China, p. 249.
The Chargé in China (Atcheson) to the Secretary of State

CHUNGKING, July 4, 1943—1 p. m.  
[Received July 4—11:50 a. m.]

1087. Moscow’s 663, June 15, 10 a. m. and Department’s 823, June 29, 5 [3] p. m. Under date of June 22 the Embassy made telegraphic request of the Consulate at Tihwa for information on this subject and is now telegraphing the Consul to expedite his report.

On July 1 an officer of the Soviet Embassy in conversation with officers of this Embassy confirmed in general statements made in Moscow’s reference telegram as to allegiance of Chinese Consulates but was vague and uninformative as regards Chinese imprisoned in Siberia.

We will endeavor to obtain further information.

Repeated to Moscow.

Atcheson

The Chargé in China (Atcheson) to the Secretary of State

CHUNGKING, July 6, 1943—10 a. m.  
[Received July 7—4:22 p. m.]

1097. 1. Well informed Chinese has given an officer of the Embassy the following account, with his comment, of the Kuomintang-Communist negotiations and the return to Yanan of General Chou En-lai, Communist representative at Chungking, which were discussed in Embassy’s 1012, June 24, 2 p. m.

(a) During the recent negotiations at Chungking Chiang Kai-shek offered Chou and General Lin Piao, Communist representative from Yanan, terms as follows:

The Communist Party to be accorded legal status with the right to establish its party organization throughout China provided it gives up its border government at Yanan and the district governments under its control and places its army under the command of the Central Government. (Communist army units would then be scattered throughout Free China.) Chiang requested that he be given an answer by the end of August and stated that in the absence of acceptance by the Communist Party he would be forced to take “appropriate steps”. The People’s Political Council is scheduled to meet in September and if the Communist Party rejects the proposed terms the Council is expected to issue a statement denouncing the Communists for their obstructive tactics.
(b) The Communist Party is adopting a firm stand and it is unlikely that it will accept these terms. Future developments will then depend largely upon the international situation. If the Burma Road is reopened and the Central Government’s army received sufficient equipment to enable it to become a factor in driving the Japs from China, Chungking should be able to regain possession of the North China area. The Communists would then be in no position to oppose strong Central Government forces and the Kuomintang-Communist problem would no longer exist (by inference the Communists would be liquidated). If the Central Government troops are not sufficiently well equipped to become a factor in the defeat of Japan and if Jap withdrawals from China are caused by pressure from American and British naval and other forces, the Chungking Government will not be sufficiently strong to reoccupy North China and will instead be faced with a Communist occupation of that area and Manchuria. The Central Government would then not wish to bring matters to a head by attacking the Communists for fear of criticism that it had fomented civil war in China. The Communist Party would be well advised to accept Chiang’s proposals as it then would gain the good will of the people through this evidence of its willingness to cooperate for unity.

2. The informant is strongly nationalistic and his views may be assumed to represent at least partially those of the Chungking Government. They are at any rate indicative of the intention of the Kuomintang to obtain by one means or the other the removal of the Communists as a factor of any importance in China and in some respects they support the contention of the Communists that the Central Government’s appeals for military aid derive as much from the Government’s desire to liquidate the Communist army as they do from a desire to defeat the Japanese.

Atcheson

761.93/1724: Telegram

The Chargé in China (Atcheson) to the Secretary of State

Chungking, July 7, 1943—2 p. m.
[Received July 9—10:12 a. m.]

1116. Embassy’s 1087, July 4, 1 p. m.

(1) Following is substance of statements made to member of Embassy staff by a Counselor of Chinese Embassy in Russia recently arrived here via Sinkiang:

Central Government “took over” the five Sinkiang-Soviet border Consulates beginning last November but only personnel transfers involved were Consul at Alma Ata and Zaisan. Beginning last year
Soviet has gradually released "several thousand" (exact number could not be obtained by Chinese Embassy in Russia) Chinese who have been interned in Siberia. There are still probably one or two thousand detained. In addition some 20,000 Chinese are living and working in the Soviet Union.

(2) Tihwa reports that information there indicates that Chamuein [change in?] status of Chinese border Consulates was due to initiative of Chinese Foreign Office.

We are asking Tihwa for more comprehensive information.

Repeated to Moscow.

Atcheson.

893.00/15050: Telegram

The Chargé in China (Atcheson) to the Secretary of State

Chungking, July 8, 1943—noon.
[Received 1:17 p. m.]

1125. 1. The secretary of General Chou En-lai, Communist Party representative at Chungking, called July 7th and offered an officer of the Embassy information and comment regarding recent developments in the Kuomintang-Communist situation as follows:

(a) The Communist representatives at Chungking have received a report from Sian that General Hu Tsung-nan has recently transferred seven divisions of Central Government troops including an armored unit from the Honan area south of Yellow River to Lochwan (near border between Kuomintang and Communist areas in Shensi). They have received a report from Yenan quoting a telegram which General Chu Teh, Commander-in-Chief [of] Communist area, sent on July 4th to General Hu in which Chu warns of the harmful results of civil war and protests against massing of Central Government troops in this area. (The informant states that there were already approximately 14 divisions of Central Government troops in that region and that the troops of General Yen Hsi-shan are stationed east of this area in Shansi.) The Communist Party representatives at Chungking have sent a copy of this telegram to General Chang Chih-chung, Director of the Political Training Board of Ministry of Military Administration, and to Dr. Wang Shih-chieh, Chief Secretary General of the People’s Political Council. The Communist newspaper at Chungking was not permitted to publish the message of the Communist Party prepared for the double seventh (July 7) special edition. Generals Chou and Lin Piao whose plans for a return to Yenan were reported in Embassy's 1012, June 24, 2 p. m., are now somewhere between Kwangyuan (north Szechuan) and
Paochi (railhead in Shensi) en route to Sian. It is not believed that they are aware of these developments although Chou prior to his departure from Chungking predicted that the Central Government might be expected to exert pressure of this sort in order to settle Kuomintang-Communist differences.

(b) While Chiang Kai-shek’s permission must have been obtained for the transfer of these troops to border area and while it is not believed that the Kuomintang desires at present to come to an outright clash with Communists, there is a possible danger that the situation may develop along lines similar to those at time of the New Fourth Army incident in January 1941 when local commanders of Central Government troops acted against the Communist troops without prior reference to the Chungking authorities.

(c) The Central Government feels that it is in position to “blackmail” its allies in the matter—that is, the Central Government considers that it can adopt an openly harsh attitude against Communists without risk of open criticism or interference by China’s allies because of the latter’s fear of giving offense or of injuring their relations with China in any way which might adversely affect the Central Government’s willingness to keep at war with Japan. American, British and Russian failure to interfere with such action by the Chinese Government would be in the nature of a “concession” in order to keep China in the war. Soviet Russia has in a sense made one such concession by its withdrawal from Sinkiang. The Communist Party would also be compelled to make concessions of some kind in order to prevent civil war and in order to avoid condemnation by United Nations. General Chiang probably feels that the dissolution of Comintern has given the Kuomintang a freer hand with the Communists and this feeling together with the above described situation has resulted in his stronger attitude toward the Communists. Pressure on Communists for their acceptance of Kuomintang terms may be expected to continue and perhaps to grow stronger.

2. Following is the substance of the telegram sent by Chu to Hu on July 4, a copy of which the Embassy obtained from a reliable additional source.

Begin summary. It is generally said that the Central Government plans to utilize the opportunity offered by the dissolution of the Comintern to attack the Communists. You have brought many troops from Honan and are sending ammunition and food to this area. Since your arrival in the LochwanIchun area there have been many evidences of military activity. You have urged your generals to make preparations for an attack. There is danger that civil war may break out at any time. At a time when our war against Japan is at a difficult stage, everything should be done to maintain unity. National unity and national resistance would suffer irreparable harm from a civil war which will benefit only Japan. This unexpected change in the situa-
tion has greatly surprised us and leaves us in doubt. Please reply.

End summary.

We have been reliably informed that Chu again despatched the tele-
gram to Hu on July 6 as he had not at that time received a reply.

3. Although this situation undoubtedly has serious aspects, the
Embassy is of the opinion that the Central Government is not likely
under present circumstances to undertake direct military action against
the Communists, first, in general, because of the adverse reaction which
could be expected to result among the United Nations, particularly in
the United States and Britain, upon whom China depends for the
defeat of Japan, direct military aid and assistance in Chinese post-
war reconstruction plans; and, second, specifically because of the effect
on Chinese relations with Soviet Russia and Chinese continuing hopes
that Russia will eventually enter the war as an ally of China against
Japan. It seems improbable that the Kuomintang leaders will wish
to be responsible in the eyes of the United Nations for causing civil
war, and the reported massing of Central Government troops would
appear to be a form of pressure upon the Communists to accept Kuo-
mintang terms which is not intended to extend to the point of actual
conflict.

Atcheson

893.00/15051

The Chargé in China (Atcheson) to the Secretary of State

No. 1330

CHUNGKING, July 8, 1943.

[Received August 4.]

Sir: With reference to the Embassy's despatch no. 1312 of June 30,
1943, concerning conditions in Shensi Province, there is enclosed a
copy of a memorandum of conversation with Dr. Basu, a member of
the Indian Medical Unit in China, in regard to conditions in the
Communist-controlled areas in north China.

Dr. Basu is a member of the Indian Medical Unit sent to China by
the Indian National Congress Medical Union in 1938. Following the
fall of Hankow in October 1938 and the subsequent threat to Ichang,
the group proceeded under orders of the Chinese Army Medical Corps
to the north China area where it remained until the time of the New
Fourth Army Incident in January 1941 when the Indian National
Congress, at the request of the Central Government, recalled the Unit
to India. Dr. Basu, who was then in the Wutaishan area, did not
receive the orders for his recall until a later date and, feeling that
his services were badly needed by the Communist troops in that area,
did not leave north China until May 1943.

*Not printed.
Dr. Basu states that economic conditions in the Communist-controlled areas are now considerably better than in 1942 and that the general price level is about half that obtaining at Chungking. The serious shortage of many commodities and foodstuffs in 1942 impelled the Border Government (Communist) at Yenan to release all government officials, except the most essential, and many of the troops for service in industrial and agricultural productive units. Central Government troops maintain a fairly effective blockade of the Communist-controlled areas which is directed particularly toward preventing cotton and iron from reaching the Communists. Some supplies of these materials do, however, get through the blockade, perhaps with the connivance of the Central Government troops.

The Communist troops are said by Dr. Basu to confine their military operations against the Japanese to defensive action as they are not sufficiently well-equipped to assume the offensive. The Communists pay particular attention to the establishment of strong bases, economically and politically, in the areas which they occupy, for without the support of the people it is impossible for them to operate behind the enemy lines. As evidence of the popular support the Communists enjoy he cites many Communist-controlled areas behind Japanese lines and points out that Central Government troops are not found in such areas chiefly because their oppression of the people deprives them of the support of the people necessary for their existence in those areas. Political support of the people is obtained through the establishment of representative governments in Communist-occupied districts which are elected by the vote of the people and in which the Communist representation is limited to one-third, the remaining two-thirds being shared by Kuomintang members and non-party persons. Economically, the Communists encourage the organization of cooperatives and home industries which prevent raw materials, particularly cotton in the Communist areas in Hopei, reaching the Japanese and provide commodities for the people.

The absence of any comment on the part of Dr. Basu critical of Communist activities is perhaps partially the natural result of four years’ work in the Communist areas among people with whom he may feel sympathetic from the standpoint of a person who himself opposes in India a ruling class. (He claims, however, that he is a member of the Indian National Congress Party and not a Communist.) At the same time, it is worth noting that all foreign observers (and the majority have not been Communists) who have lived or traveled in the Communist-controlled areas in recent years have had much the same reaction to Communist activities there as that of Dr. Basu. There is doubtless a studied effort on the part of the Communists to show foreigners only the favorable side of the situation there, but one cannot escape the conclusion that, without regard to the ultimate
aims of the Communist Party in China, the Communists are following a policy which has increased their standing among the majority of people in the areas which they control.\footnote{In a memorandum dated August 10, Augustus S. Chase of the Division of Far Eastern Affairs made the following comment: “There is little new information in the memorandum, but the following points are perhaps of especial interest: “Despite the Central Government's blockade of the Communist areas, some wool and iron get through to the Communists, perhaps with the connivance of the Central Government troops. As far as Dr. Basu knows, there is no truth in the charges that the Communists are cultivating opium in Shensi. The Communist Army's spirit is superlative. Its total strength is about 500,000-600,000. Increased production has solved the Communists' food problems. The chief problem is an acute lack of medicines. The Communists manufacture their own mortars and rifles from steel rails taken from Japanese-controlled railways. They can carry on defensive war indefinitely.”}

Respectfully yours,

GEORGE ATCHESON, JR.

893.00/15059 : Telegram

The Chargé in China (Atcheson) to the Secretary of State

CHUNGKING, July 9, 1943—4 p. m.
[Received July 17—4:45 p. m.]

1136. Embassy's 1125, July 8, noon. Admiral Yang, Chief of Chinese Intelligence, has been very helpful to our Naval and Military Attachés and has inspired them with confidence in his judgment and in the general accuracy of his statements (he frequently contradicts those of the military spokesman). He is often called upon in high places to give the determining opinion in regard to developments. My personal relations with him are in nature of those of an old friend of many years standing. We accordingly consider that information and comment from him are worth attention.

I have had opportunity to mention to him casually that we have heard rumors of possible trouble with Chinese Communists. He confirmed the report that considerable bodies of troops had been moved into Shensi but stated categorically that Central Government forces had no intention of attacking Communists. He said that Government felt that “blockade” was necessary to prevent expansion by Communist troops and border government and that there was no question that the Communists continued to be under influence from Moscow, thus incidentally throwing into relief the continuing suspicions of Russian motives which exist in many important quarters here. He expressed the opinion that an open Kuomintang-Communist conflict would not occur at any time pending conclusion of the war but intimated that he felt such conflict was almost inevitable after the war.

ATCHESON
Moscow, July 10, 1943—noon.
[Received July 11—6:05 a.m.]

838. Department’s 455, June 18, 9 p. m., regarding attitude of
Soviet press toward Chinese Communists since dissolution of
Comintern.

*Red Star* for July 7th published a 4-column survey by Colonel
Tolgegov [Tolohenov] of 6 years of the Sino-Japanese war. This is
the only Soviet press item appearing in recent months to the Em-
bassy’s knowledge pertinent to the Department’s inquiry.

Most of the article factually summarizes the results of military
operations during the war. Events are periodized into two phases.
In the first, to the fall of 1938, Japan was on the offensive in China.
Since then Japan has been able to launch only limited operations.

The conclusion is reached that Japan failed to achieve her objective
in China despite her advantages largely because the Chinese people
achieved “unity of all the national forces of the country” against the
threat to their political existence.

With the beginning of the Pacific war “the struggle in China be-
came one of many fronts of the world war.” The Chinese aid to the
British at Hong Kong and in Burma is referred to. The loss of
Burma is described as a grievous blow to China cutting her off from
almost all help from her American and British allies.

The article points out, however, that China’s general military situ-
ation has now improved since Japan is forced to concentrate her main
forces in the Pacific and is not in a position to undertake large scale
operations in the Chinese theater which is for Japan “of secondary
significance.”

The article refers frequently to the Chinese partisans. It regards
their activities as a major factor making for successful Chinese re-
sistance. Moreover, it declares that in the hinterland of much of the
Japanese occupied territory the Chinese Government is still function-
ing “under the protection of partisan detachments.”

The article is extremely cautious regarding political matters. Its
omissions, however, may be significant. Thus, no credit for Chinese
success is given to Chiang Kai Shek or other political leaders, none
of whom are even mentioned. At the same time no political charac-
terization of the partisans is attempted. To the improvements in the
Chinese Army’s tactics is attributed part of China’s success. There
is no explicit condemnation of Japan, but the pro-Chinese bias of
the article is obvious.
The article pays tribute to the Chinese people. It refers to the partisans after 1938 as embracing "ever broader masses of the Chinese people."

It concludes, "The Chinese people continue courageously to fight for its liberty and national independence."

STANDELEY

$93.00/15067: Telegram

The Chargé in China (Atcheson) to the Secretary of State

CHUNGKING, July 13, 1943—4 p. m.
[Received July 23—12: 41 p. m.]

1173. Embassy's 1136, July 9, 4 p. m. According to Admiral Yang, Chou En-lai is now in Sian talking with General Hu Tsung-nan. Admiral Yang continues in his opinion that fighting will not break out as the Government realized that hostilities are not desirable from its point of view and as the Communists are not strong enough to take offensive action. He stated that, however, "some" Central Government troops have been moved into position as a precautionary measure.

According to Communist sources here, Central Government troops at one place recently fired several rounds of trench mortar shells at Communist outposts and were engaged in making reconnaissance of the topography of the region.

ATCHESON

$93.00/15070: Telegram

The Chargé in China (Atcheson) to the Secretary of State

CHUNGKING, July 14, 1943—noon.
[Received July 23—3: 37 p. m.]

1183. Embassy's 1173, July 13, 4 p. m., and previous. A Counselor of Soviet Embassy together with a Press Attaché of the Embassy, who acted as interpreter, called on me this morning "to exchange views" in regard to the Kuomintang-Communist situation. From his remarks it appears that the information in possession of the Soviet Embassy on recent developments is similar to ours, except the Counselor stated that Central Government troops had within the last few days fired on Communist outposts or positions in as many as 10 different places. He expressed the opinion that Chinese Government by moving more forces to the "border" area were probably hoping to exert pressure on Communists to accept Generalissimo's terms and that Government realized that it would not be desirable, from the point of view of China's international relations, to launch military attack
upon the Communist forces at this time. He expressed apprehension, however, lest civil war break out as a result of possible independent action by individual Central Government troop commanders and said that, according to his Embassy’s information, the situation along the “border” was “very tense”.

This approach by Soviet Counselor seems to us to be of interest, incidentally, because it is the first time within our recollection that Soviet Embassy has so unequivocally shown concern in the fortunes of Chinese Communists and because of the seriousness with which Soviet Embassy apparently regards the recent developments. We for our part are still of the opinion that Chinese Government is not deliberately planning to resolve the issue by resort to arms, but that there exists and will continue to exist so long as Central Government maintains large troop concentrations in the so-called “border area” a possibility that there may be precipitated some incident which conceivably might have very unfortunate results.

When occasion has arisen in private informal conversation with Chinese officials we have, of course, expressed the opinion that the outbreak of anything in the nature of a civil war in China would be most unfortunate; we do not, however, believe that it would be advisable or productive for us here to make any direct approach in the matter at this time. We have the impression that General Stilwell has endeavored for a long time to persuade the Chinese military authorities to move Hu Tsung-nan’s troops, which are considered to be among the best and the best equipped of the Chinese Army to Yunnan or some other area where they might contribute something to the war effort, but the Chinese Government (the Generalissimo and his reactionary supporters) have remained adamant and are and will continue to be relentless in their efforts to eliminate the Communist question if they can do so without forcing the issue to the extent of open hostilities. (There are now possibly more than 400,000 Central Government troops in the “border” area and while the region is, of course, an important sector of defense against possible Japanese attack, even Chinese Intelligence officers admit that the immobilization there of such large numbers of superior troops is not justified for that purpose alone.

I would venture the opinion that a possibly effective way of influencing the Chinese Government in this matter (as well as in other matters) would be to furnish China with considerably increased air and other military aid (if this is practicable) or categorically to promise additional and precisely specified aid at a fixed date, and at the same time make it clear that such aid is furnished in the definite expectation that the Chinese Government by appropriate use of its troops and other resources would launch itself with determination into the war against Japan.

Atcheson
Memorandum by Mr. Raymond E. Murphy of the Division of European Affairs

[WASHINGTON,] July 16, 1943.

COMMUNIST SITUATION IN CHINA

In assessing the real importance of Communism (Stalinism) in China a person may often be led into error by oversimplification and by sentiment over the alleged idyllic existence in the area dominated by Chinese Communists.

In the first place, China belongs in that category of colonial or dependent countries with a scant percentage of skilled workers. As a colonial or dependent country the system of orthodox Marxism is not applicable and the various congresses of the Communist International have laid down programs for work in such countries giving wide latitude and great flexibility to the tactics to be applied. The principal objective always seems to have been to swing the communist elements in the countries concerned into the orbit of Moscow and to make as one of the fundamental duties of those alien Communists allegiance to the Soviet Union, in this respect to force their respective countries to subscribe wholeheartedly to Soviet foreign policy vis-à-vis any other country in the world. Because of the wide latitude given communist leaders in colonial countries a neutral observer can easily be mistaken with regard to the program and role of these parties. Superficially, they do appear to be moderate agrarian parties with a moderate program. The test to be applied, however, is how these leaders stand on various questions.

One would normally expect patriotic nationalist Chinese to be insistent upon major emphasis being given the war against Japan. Not so the Chinese communist leaders. The Chinese Communists saw nothing wrong in the German Soviet pact. On the contrary, the Chinese Communists echoed the sentiments of Communists throughout the world. To them the war was an imperialist war, with the United States and Great Britain as much at fault as Germany. Even after the entrance of the United States into the war the Chinese Communists have deliberately played up the major role of the Soviet Union and have minimized the efforts of both Britain and the United States. The Chinese Communists have never insisted upon major emphasis in the Pacific area and when Pearl Buck, in a speech last November or December, suggested that more attention might be given that area she was made the object of a smear campaign by American Communists, and, so far as is known, no Chinese Commu-

* American novelist writing principally on Chinese subjects.
nist has ever come to her defense. Their whole line seems to be oriented along Soviet lines, rather than along Chinese lines essentially. It should not be overlooked either that the principal reporter for the past ten years on colonial questions has been a person known as Wang Ming, located in Moscow, who has faithfully reflected Stalin's views.

With respect to the Kremlin itself, there is too much of a tendency to regard the Soviet Union's chief immediate interest in China, so far as active interference is concerned, as having terminated in 1927. That is a grave mistake. Ample evidence exists to show that after the debacle in 1927 the interest of the Communist International and the Red International of Trade Unions continued actively, with principal emphasis on the presence in China, as communists agents, of nationals of other countries, especially persons bearing American passports. It is ironical, of course, that in the fall of 1927 Earl Browder, Tom Mann, the Englishman, and Jacques Doriot (then a French communist, now a Nazi puppet in France) toured China, inciting the Chinese against the foreign element. After that junket foreign agents were used by the Soviets. The raid of June 15, 1931 at Shanghai showed that active agents of the Communist International and of the Red International of Labor Unions had been operating from Shanghai for a number of years, not only against Chiang Kai-shek but also stirring up trouble against the United States and Great Britain and the Netherlands in the Far East. The budget showed that over a half million dollars a year was being spent. The leader of this group was a prominent Russian Soviet agent who assumed the identities of persons known as Noulens and Ruegg. His principal assistant bore an American passport in the name of Stewart. This man actually was Charles Krumbein, an American citizen, who is today one of the most prominent persons in the Communist Party of the United States.

Others active there were James Dolsen, Earl Browder's cousin, and Margaret Cowl, both American citizens. It appears that this raid temporarily broke up the foreign connections of the Chinese Communist movement, but in 1932 a prominent German Communist, Arthur Ewert, bearing an American passport in the name of Harry Berger and accompanied by another person bearing an American passport in the name of Walsh were in China intermittently between 1932 and 1933 attempting to reestablish contacts. (Ewert is now serving a sentence of fifteen years in Brazil as one of the chief leaders of the revolution in Brazil in November 1935). Even after 1932 there is evidence available showing that the Kremlin, using American citizens and dummy American firms, maintained active interest in covering conditions in China. Consequently, it is correct in stating

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* Later General Secretary of the Communist Party in the United States.
that the open Moscow maneuvers in China ceased in 1927, but it should always be borne in mind that their undercover clandestine efforts continued unremittingly thereafter.

The Chinese Communist Party is in very close touch with the Communist Party of the United States. The dissolution of the Communist International has in no wise changed the fundamental program of either Party. One of the chief sources for the conveyance of news regarding China throughout this Hemisphere is the Inter-continental News Agency at New York headed by Grace Maul Granich, who, it may be recalled, operated, with her husband, an especially virulent communist monthly at Shanghai in 1935 after Harold Isaac's venture had been abandoned. Grace Maul Granich is, in turn, the American agent for the Soviet Information Bureau which was started about May 1942 by Third Assistant Commissar of Foreign Affairs, Lozovsky, and is further regarded as one of the organs to take the place of the Communist International.

It is entirely conjectural, of course, but if Moscow feels it in her interest to bring about a cessation to the Japanese-Chinese war it is reasonable to believe the Chinese Communist Party will fall in line, likewise, the Communist Party of the United States. Both are creatures of Moscow today. Neither has ever taken a step contrary to the interests of the Kremlin. There is one school of thought which has made a close study of Soviet foreign policy, which is of the opinion that the Soviets’ ultimate objective was the exclusion of the remainder of the white race from the Far East. Basic documents exist to substantiate this belief. It is known, however, that for short-range purposes the Soviets are guided principally by expediency, if it is in their interest, in the hope of securing major credits for the reconstruction of the Soviet Union. To remain friendly with the United States she may do nothing in the Far East. On the other hand, if she feels that the United States is in no position to help her after the conclusion of the war with Japan, she may strike out on the line long advocated by Lenin and subscribed to at times by Stalin, which is the exclusion of other white nations from the Far East.

If it is thought that the rank and file of the Chinese Communists can be won over from the leadership of Mao Tse Tsung and Chu Teh, it may be worthwhile to try it, but it will be a very difficult task. Probably the greatest missionaries for this purpose would be American soldiers themselves who, upon coming into direct contact with these elements, would prove by their example that all the propaganda and indoctrination of Communists that the United States is an imperialist, self-seeking nation was fabricated.

A very ominous note with regard to future Soviet relations with Chiang Kai-shek is contained in a telegram from the American
Embassy at Moscow, no. 838 of July 10, noon, which summarizes an article by a Soviet spokesman from the very authoritative Red Star for July 7, with regard to the Japanese-Chinese war. Principal credit for the resistance of the Chinese is attributed to the “partisans”, another name for the Communists, and no credit is given to Chiang Kai-shek or other political leaders. This pattern is similar to the preliminary one undertaken against General Mikhailovitch of Yugoslavia in July 1942. Since that time bitter attacks have been made against Mikhailovitch on the grounds that he is an Italian agent. Practically all derogatory information from Soviet sources has been distributed in the United States through the Intercontinental News Agency.

808.00/15063: Telegram

The Chargé in China (Atcheson) to the Secretary of State

CHUNGKING, July 17, 1943—3 p.m.
[Received July 20—3:33 p.m.]

1214. 1. The secretary of Chou En-lai, Communist Party representative at Chungking, has furnished an officer of the Embassy the following information regarding Communist-Kuomintang developments in addition to that reported in Embassy’s 1183, July 14, noon.

(a) On July 9 General Hu Tsung-nan replied to General Chu Teh’s message (Embassy’s 1125, July 8, noon) stating that the transfer of Chungking troops from Honan to the Central Government-Communist border regions in Shensi is not for the purpose of commencing military operations against the Communists but merely represents the sending of his second line troops to that area to relieve troops already stationed there. (The informant does not believe that there has been any withdrawals of Chungking troops from the region in question.) Hu also explained that he had gone to the Lo-chiwan area to carry out a routine inspection of his troops. Chou and Lin Piao after being entertained by Hu at Sian departed for Yenan on July 13 with the convoy of 4 trucks with which they left Chungking and which had undergone a rigorous inspection at Paochi, Shensi. General Chang Chih-chung, head of the military training board, has denied to the Communists at Chungking that there have been any Chungking troop concentrations in Shensi.

(b) Chiang Kai-shek suddenly called a meeting of the Standing Committee of the People’s Political Council at Chungking on July 13 at which he stated the constitutional government would be established by the Central Government before the end of the war on two conditions: (1) “unification of military orders” (all armed forces under one command) and (2) “unification of governmental orders”
(all governmental authority under one head). There was no discussion of these points by the members of the committee present among whom was a Communist representative. (Chou is expected to return to Chungking in time for the meeting of the People's Political Council scheduled for mid-September.) These points do not represent any general change in Chiang's attitude toward the Communists although it is the first time he has mentioned constitutional government since 1941. No change in the general situation is to be expected although the Communists are willing to make some concessions such as giving up the border government at Yenan provided the local officials at the present Communist controlled districts are either Communists or Kuomintang officials friendly to the Communists. While Soviet Russia is sympathetic toward the Chinese Communists, there is no direct connection between the Chinese Communist Party and the Soviet Government and the latter is not giving any form of aid to the Chinese Communists.

2. It is not believed that the foregoing circumstances indicate any definitive change in the situation except that the recent tension is perhaps abating. Chiang's reference to constitutional government may be merely a buildup for the issuance of a manifesto by the PPC when it meets in September with a view to throwing the blame on the Communists for failure to reach a settlement of Kuomintang-Communist differences. Dr. Sun Fo (whose leanings are in general liberal) stated to me privately last evening his opinion, which tends to be in confirmation of ours, that the Chungking troop concentrations in the "border area" are for purposes of pressure on the Communists and that hostilities are not likely to result.

Atcheson

800.003 Communist International/312: Telegram

The Ambassador in the Soviet Union (Standley) to the Secretary of State

Moscow, July 20, 1943—5 p. m. [Received July 21—12:05 a. m.]

896. Your 455, June 18, 9 p. m. The following telegram has been received from Kuibyshev:

326, July 10, noon. Your 197, June 21, 3 p. m. The Chinese Military Attaché, Major General Kuo Teh-chuan, says that during the year he has been in the Soviet Union he has seen no reference whatever to the Chinese Communists in the Russian press. Insofar as he has been able to ascertain they have during this period had no representative in Kuibyshev or Moscow. He does not think the Chinese Communists are longer receiving supplies from the Russians.
He knows that no supplies are passing through Kinsuangel [Sinkiang] where Central Government authority has been established and Chungking representatives are now present and he does not believe that transportation through Mongolia is practicable. A similar statement concerning the cessation of Russian assistance to the Chinese Communists has been made by the Ambassador and other members of the Chinese Embassy staff. They professedly believe that some time before the dissolution of the Third International there had been a radical change in Soviet policy toward China, citing as evidence particularly the altered situation [in] Sinkiang which is obviously most gratifying to them.

STANDLEY

803.50/313 : Telegram

The Chargé in China (Atcheson) to the Secretary of State

CHUNGKING, July 21, 1943—9 a. m.
[Received July 22—6: 50 a. m.]

1240. 1. Chungking correspondent New York Times informs us Chang Tao-fan, Information Minister, asked him call July 17 connection with despatch filed by the correspondent subject Kuomintang-Communist differences reported Embassy 1214, July 17, 6 [3] p. m. During 3½ hours’ conversation, Minister described in detail “history” of Chinese Communist Party; stated Communists had always been guilty of pillaging, murdering Chinese people, rebellion against Government and oppression of people, alleged present Communist activities not different materially from those past. Chang also accused Communists of attacking Central Government troops from rear when latter fighting Japs and of seizing arms and supplies from Central Government troops. In conclusion he asked correspondent withdraw despatch as it likely to create in United States misunderstanding of true situation regarding Kuomintang-Communist differences.

According correspondent, this despatch referred return Chou En-lai to Yenan and possibility settlement differences between the two parties and described viewpoints of the two parties regards issues between them. Despatch subsequently withdrawn by correspondent who now plans rewrite it in hope having it passed by censors.

The correspondent is of opinion as result this conversation with Chang that there is no hope of Kuomintang-Communist settlement and that attempted liquidation of Communists by one means or other inevitable after war.

2. During July 7 press conference Chang Tao-fan informed correspondents that Chou En-lai was returning Yenan order settle differences between two factions within Communist Party which had
arisen after dissolution Comintern. Stated one faction Nationalist and favored compromise with Chungking Government while other favored continuation party's previous policy. Questioned regarding reported Kuomintang-Communist negotiations, Chang denied any negotiation, stating might as well expect Democratic and Republican Parties in United States to enter negotiations.

3. Monitoring reports of Domei Chinese service from Chungking [by] OWI representative contain rather detailed coverage present Kuomintang-Communist relations, full of obvious inaccuracies (such as that Communists have given up their border government at Yenan) and have strong anti-Communist tone.

4. Drumright at Sian offers his opinion telegram of July 16 that doubtful that Chungking policy of blockade will at present change into policy attack Sian [as] press and cultural organizations reported urging since dissolution Comintern, disbandment Chinese Communist Party. Further information expected from Drumright in due course.

ACHESON

893.00/15065 : Telegram

The Chargé in China (Atcheson) to the Secretary of State

CHUNGKING, July 21, 1943—4 p. m.
[Received July 22—12:29 p. m.]

1254. As of interest in connection with our reports in regard to the Kuomintang-Communist situation, we are reliably informed by a Chinese official that Dr. T. V. Soong has telegraphed here saying that officials of the American Government had asked him about Kuomintang-Communist relations and had expressed to him the opinion that an open clash would be seriously regarded in the United States and should be avoided. 6

ACHESON

893.00/15066 : Telegram

The Chargé in China (Atcheson) to the Secretary of State

CHUNGKING, July 22, 1943—5 p. m.
[Received July 22—4:29 p. m.]

1256. 1. In telegram from Sian dated July 19 Drumright states Civil Affairs Commissioner informed him that day that prior to the departure of Lin Piao and Chou En-lai from Sian for Yenan the Commissioner had discussions with them, during which the attitude

6See memorandum by the Adviser on Political Relations (Hornbeck) dated July 24, p. 293.
of the two Communist leaders was one of cooperation and helpfulness. The Commissioner further stated that Chou and Lin are not returning with any definite proposals but that they will confer with Communist leaders in Yenan in regard future organization of the Communist Party and possibility of its being dissolved. While the Commissioner confirmed reports of considerable Chungking troop concentrations in the border regions, he described as incorrect the recent rumors of major clashes, admitting at the same time that there have been frequent small scale incidents. The Commissioner did not believe that the Chungking authorities would use armed force against the Communists.

The Commissioner stated that recent reports from Chinese Intelligence have it that three groups have arisen at Yenan since the dissolution of the Comintern. One group favors following a policy of revolution; the second group favors cooperation by an independent Chinese Communist party with the Central Government; and the third group proposes that the Communist Party be amalgamated with the Kuomintang. The Commissioner felt that the dissolution of the Comintern had shaken the Chinese Communist Party and that numbers of its members have been leaving the party. The Commissioner did not, however, believe that the Communists would give up their border government at Yenan of their own free will.

2. The Commissioner's final statement gives further evidence of the belief existing in Kuomintang circles (Embassy's 1240, July 21, 9 a.m.) that the Chungking Government does not consider it possible to come to any compromise agreement with the Communist Party, and that the Kuomintang is determined eventually to liquidate the situation.

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Atcheson

740.0011 Pacific War/3352: Telegram

The Chargé in China (Atcheson) to the Secretary of State

CHUNGKING, July 24, 1943—noon.
[Received 12:01 p.m.]

1276. A further telegram from Drumright at Sian dated July 20 reports confirmation by a recent Chinese arrival from Sanyuan (north of Sian) of Chungking troop movements northwards in the direction of LoChehwan in the Shensi border region. According to a provincial official at Sian, these movements are merely troop replacements. This official stated that no military clashes had occurred, denied that Chungking [planned to] attack the Communists and said that Chiang Kai-shek and Central Government are hoping that the abandonment of the border government at Yenan will be brought about by Chou
En-lai's discussions with Communist leaders there. (These views are similar to those expressed by other Sian officials as reported in Embassy's 1256, July 22, 5 p. m.) Drumright feels as a result of his talks at Sian that the Central Government is utilizing to fullest the opportunity presented by the dismay which the dissolution of the Comintern has caused among the Communists to effect peacefully this [the] disbandment of Communist government at Yenan.

Atcheson

Memorandum by the Adviser on Political Relations (Hornbeck) to the Secretary of State

[WASHINGTON,] July 24, 1943.

Mr. Secretary: Referring to the report hereunder * of the report by Dr. Soong that “officials of the American Government had asked him about Kuomintang Communist relations and had expressed to him the opinion that an open clash would be seriously regarded in the United States and should be avoided”:

None of the Far Eastern officers of the Department has spoken to Soong on this subject; in fact, none of these officers has had any conversation with Soong recently. Nor has there come to us any information, written or oral, regarding any discussion with Soong of this subject by any officer of the Government.

The question of giving advice to the Chinese Government regarding Chinese internal politics has always been regarded as a delicate question. There has been since at least as far back as 1917 * a definite policy and a recognized procedure for the handling, diplomatically, of hints to the Chinese in that field. A few months ago Earl Browder publicly accused the Department, with specifications, of having intruded into the controversy between the Kuomintang and the Chinese “communists”. * We were able to show from our records that Mr. Browder’s charges, both in general and in particular, were unfounded; and Mr. Browder made a public retraction. It would be helpful if the recognized procedure were adhered to and any conversations which officials of this Government may have with the Chinese regarding such matters would be made the subject of written record for and in the Department’s files. **

S[TANLEY] K. H[ORNBECK]

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* See telegram No. 1254, July 21, 4 p. m., from the Chargé in China, p. 291.
* See telegram of June 4, 1917, 3 p. m., to the Minister in China, Foreign Relations, 1917, p. 48.
* For further correspondence on this subject, see memorandum prepared in the Department of State, October 3, 1942, Foreign Relations, 1942, China, p. 248, and correspondence following memorandum prepared in the Department of State, October 12, 1942, ibid., pp. 248 ff.
** Notation by the Secretary of State: “O. K. C. H.”
The Chargé in China (Atcheson) to the Secretary of State

[Extracts]

No. 1391 Chungking, July 26, 1943.

[Received August 21.]

Sir: With reference to the Embassy’s telegram no. 1125, of July 8, 12 noon, in regard to Kuomintang-Communist differences, there is enclosed a translation of a manifesto § issued by the Central Executive Committee of the Chinese Communist Party on July 7, the sixth anniversary of the outbreak of Sino-Japanese hostilities, which has been received by the Embassy from Communist Party representatives at Chungking.

While the Central Government permits no mention of negotiations between the Kuomintang and the Communist Party to be published, it is interesting to note that it is stated in the manifesto that the Communists are “ready to continue the negotiations with the National Party of China (Kuomintang) and other parties and groups on the solution of existing problems and the improvement of relations between parties and groups.” The need for national unity and the improvement of governmental administration are urged. The question is asked why a nation with a huge population such as China possesses can be invaded by the Japanese with thirty divisions of troops. It is admitted that the lack of industrial development is one reason, but the chief reason is ascribed to the lack of democratic government in China. Hope is expressed that the government will be able to effect necessary political reforms in accordance with the Three People’s Principles in order to improve the relations between classes, political parties and groups of people and in order to arouse the spirit of the people. The government’s present financial and economic policies are severely criticized and reforms therein are urged. Economic reforms, it is said, should include the practice of a democratic and centralized economic policy aimed at the development of production and the adjustment of the economic interests of different classes, and all groups should be mobilized for production.

Much of the manifesto is devoted to a description of the accomplishments of the Communist Party and army, and an appeal is made to them to strengthen their unity and continue their efforts to bring about the final defeat of Japan. In conclusion, an appeal is made that the members of the Communist Party unite with all anti-Jap-

§ Not printed.
anese parties, groups and people to support the National Government and Generalissimo Chiang Kai-shek in the war against Japan.\textsuperscript{12}

Respectfully yours,

GEORGE ATCHESON, JR.

740.0011 Pacific War/3863 : Telegram

The Chargé in China (Atcheson) to the Secretary of State

CHUNGKING, July 28, 1943—6 p. m.

[Received July 29—11:15 a. m.]

1325. 1. In a telegram dated July 24 from Lanchow, Service states that, in addition to movement of Central Government troops north from Sian (Embassy’s 1276, July 24, noon) other Chungking troops are reported to be moving westward and troops and matériel such as artillery and tanks are said to be concentrated in the region of Pingliang (eastern Kansu), a strategic point on the western border of the Communist areas. Service reports that recruits are being sent into Kansu from the south and that block houses are being constructed in Lanchow area.

Service states that officials at Lanchow are suspicious and unwilling to discuss the Communist situation. The military preparations are said there to be against banditry in the province. Service observes that many signs point toward local fears of a movement by the Communists west into Kansu and that sources who have contact with the Communists expect such action within the next year. He states that the Lanchow authorities have refused permission to Lowdermilk and Phillips (Department’s technical experts) and their Chinese assistants to visit Ningshia and explains that their route of travel would carry them through blockade zone near western border of Communist areas.

\textsuperscript{12} Augustus S. Chase of the Division of Far Eastern Affairs made these observations in a memorandum dated August 31:

“The following points not covered in the despatch are believed of some interest:

“In addition to criticizing ‘those who oppose giving priority to the defeat of Germany’, the manifesto reflects Soviet influence in emphasizing the need for a second front in Europe. However, it shows no lack of enthusiasm for the defeat of Japan.

“The following statements in the manifesto appear of some significance, especially if, as some observers claim, Soviet Russia continues to dictate the line of propaganda and action of Chinese Communists:

Hopes of Germany and Italy that ‘one of the allies might conclude a dishonorable peace’ are ridiculous.

Chinese Communists should ‘develop . . . anti-Japanese groups of the Korean people’.

‘Members of the Communist Party . . . should continue to study movements for purging non-Marxist ideology’.

“On the whole, the manifesto (as the summary in the covering despatch indicates) presents a much more honest picture of the state of China’s war effort than that which the Chungking Government seeks to portray.” [Omissions indicated in the original.]
2. The circumstances described by Service would not seem to have materially changed the situation which a well informed Chinese Communist at Chungking states has eased considerably during the last week or 10 days. This informant gives four possible reasons for the lessened tension: 1, the firm stand taken by the Communist Party at a mass meeting at Yenan on July 9 which convinced the Kuomintang that the Communists were prepared to resist any armed attack (two Kuomintang liaison officers were said by the informant to have been present at the meeting); 2, the probable adverse foreign reaction to the possibility of civil war, as evinced by the interest displayed by foreign press correspondents at Chungking; 3, the reported telegram sent to the Central Government by Dr. T. V. Soong (Embassy's 1254, July 22 [22], 4 p.m.) to the effect that the U.S. Government had expressed to him its serious concern over the possibility of civil war in China; and, 4, the efforts of General Chou En-lai in the discussions at Sian to bring about a better understanding of the Communist position on the part of General Hu Tsung-nan.

Atcheson

893.00/15084

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

                    [Received August 17.]

Sir: I have the honor to enclose a copy of a memorandum furnished the Embassy by the Foreign Office, giving the substance of recent information received from the British Embassy in Chungking concerning relations between the Chinese Central Government and the Communist forces in the north.

According to this report, there have recently been rumors that the Chinese Government was concentrating a large force of possibly seven divisions near the Communist area, ostensibly to meet the Japanese threat from southern Shansi. While it is believed that such movements have actually taken place, their purpose is open to doubt. The British Ambassador in Chungking has been informed by a member of the Ministry of Foreign Affairs that, following the dissolution of the Comintern, there had been a split in the ranks of the Chinese Communists, the moderates favoring increased cooperation with, or even incorporation in, the Nationalist Government and the extremists insisting on remaining independent. The Generalissimo had apparently sent proposals to Yenan, the Communist head-

38 Not printed.
quarters, which amounted to the dissolution of the Communist Government, incorporation of the Communist armies in the National Forces and the recognition of Communism as an opposition political party.

It has been suggested in Chungking by the British Military Attaché, according to the Foreign Office, that the real reason for the troop movements may have been to support the Central Government in their negotiations with the Communists and fears have been expressed that an attack might be made on the Communists. The Foreign Office has stated that it does not have any other information to corroborate this interpretation and is merely passing it along for what it may be worth. However, unconfirmed information from another source in London is to the effect that two divisions of Communist troops in the north have recently attacked the Central Government forces.

Respectfully yours,

For the Ambassador:

W. J. GALLMAN
First Secretary of Embassy

800.20298/6

The Chargé in China (Atcheson) to the Secretary of State

[Extracts]

No. 1410

CHUNGKING, July 31, 1943.

[Received September 1.]

Sir: With reference to the Embassy’s despatch No. 540 of July 24, 1942, in regard to Chinese propaganda, psychological warfare and morale agencies, there is enclosed a copy of despatch No. 6 of July 5, 1943, from the Secretary on detail at Lanchow describing the use of wall slogans by Chinese propaganda agencies in the Northwest.

The Embassy is commending Mr. Service for the excellent character of this despatch, which through a careful and inclusive study of the use of wall slogans for propaganda purposes, material hitherto unstudied, reveals to a considerable extent the lines of political thinking of the Kuomintang, with the latter’s insistence on the leadership principle and the primacy of the Party, and the evident seriousness of the problems which face the Central Government, such as provincialism, conscription, grain collection, opium growing and Mohammedan dissidence.

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45 Not printed.
Mr. Service expresses doubt that these slogans have a popular appeal to the masses of people, vast numbers of whom cannot read, and feels that the failure of the Party to devise new and original slogans (there has been no change in the character of the slogans used since the beginning of Sino-Japanese hostilities) to keep up the interest of the people and to meet the changing conditions of the war seems to indicate a growing sterility and deterioration of Kuomintang propaganda.

Respectfully yours,

GEORGE ATCHESON, JR.

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803.00/15104

The Consul at Kweilin (Ringwalt) to the Chargé in China (Atcheson) 16

No. 24

KWEILIN, July 31, 1943.

Sir: I have the honor to report hereunder the substance of an interview with Mr. Liang Shu-ming, well-known promoter of experiments in Village Self-Government in Honan and Shantung Provinces, and a prominent member of the Federation of Chinese Democratic Parties. Mr. Liang agreed to talk freely with the undersigned only on condition that his anonymity be strictly safeguarded. The views expressed in this report, it must be understood, are those of Mr. Liang and not necessarily those of the undersigned.

Summary. The political power of the Generalissimo rests on the common and national will to expel the enemy from China. However, in recent years he has tended more and more to mistake national popularity as his own private possession, and to concentrate to a greater and greater degree political power in his own hands. With this increasing tendency to monopolize all political power, has arisen inconstancy in all forms of government and the present political structure is becoming increasingly insecure; its eventual fall is inevitable. In such an event, there should be a minimum of disorder, as the will of the Chinese people for national resistance remains constant. The Federation of Chinese Democratic Parties does not believe in the overthrow of the Kuomintang, but rather in its reform from a party of national monopoly to one of national cooperation. The present role of the Federation, which is daily increasing in prestige and authority, is to develop a liaison for all political groups in China, consolidation of the ideals of the various parties and interests, and the preparation of a political program to serve as a guide when the crisis arrives. This problem should not prove to be too difficult of solution as the political struggle in China is not for class domination, which tends to divide the people, but for national independence, which serves to unite them.

16 Copy transmitted to the Department by the Chargé in China in his despatch No. 1458, August 13; received September 3.
[Here follows detailed report.] 37

Respectfully yours,

ARTHUR R. RINGWALD

893.001/178 : Telegram

The Chargé in China (Atcheson) to the Secretary of State

CHUNGKING, August 2, 1943—7 a.m.

[Received 4:28 p.m.]

1353. 1. It is officially announced that President Lin Sen died last evening, August 1 at 7:40 p.m., and that the funeral will be held at 5 p.m. today. I am addressing a formal note of condolence, dated August 2, to Dr. K. C. Wu, Acting Minister of Foreign Affairs, as follows:

"Excellency: It is with the greatest regret that I have learned of the death of His Excellency Mr. Lin Sen, President of the National Government of the Republic of China. The news of his passing will be received with sorrow by the President and other officers of the Government of the United States as well as by the American people in whose hearts he was held in great esteem because of the upright character, his devotion to democracy and his serene and unflinching confidence in the complete victory for which China and others of the United Nations are fighting the common enemies of freedom and justice.

"I wish to tender to the Chinese Government the sincere condolences and profound sympathy of the Government of the United States in the unfortunate loss which your country has suffered.

"Accept, Excellency, etc."

2. It is also announced that General Chiang Kai-shek, in his position of President of the Executive Yuan, was late last night appointed by the Standing Committee of the Central Executive Committee to be Acting President of the National Government.

ATCHESON

893.001/178a : Telegram

The Secretary of State to the Chargé in China (Atcheson)

WASHINGTON, August 2, 1943—5 p.m.

1012. Please deliver as from the President to Generalissimo Chiang Kai-shek a message as follows:

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37 In a memorandum dated September 23 Troy L. Perkins of the Division of Far Eastern Affairs observed: "Mr. Liang is perhaps too optimistic in regard to the ability of the spirit of resistance alone to carry on should China's leader pass out of the picture, with the factional strife which would probably ensue. The Federation of Chinese Democratic Parties is not an antagonist of the Kuomintang; it hopes mainly to ameliorate the shortcomings of that party and to effect eventually cooperation of all parties." (893.00/15104)
“I desire to convey to Your Excellency and to the people of China an expression of the deep sorrow felt by the Government and people of the United States over the passing away of President Lin Sen. His life spanned the period of the courageous and successful struggle which the Chinese people made to achieve freedom and enduring unity; his zeal in this great labor has made an inestimable contribution to the founding of the Chinese Republic, as have his wise counsel and his eminent scholarship to the progress of the Republic through the three decades of its life. He died while the nation he loved was still engaged in a mortal conflict with Japan, whose armies had invaded and laid waste much of his homeland; although he did not live to see the final victory, he yet died in the full assurance that victory was certain, and that through it the Chinese people would march on to a happy and prosperous future.

Please convey to President Lin Sen’s family my deep personal sympathy in their sorrow and bereavement. Franklin D. Roosevelt.”

HULL

[For text of the Secretary of State’s public statement and message to the Chinese Minister for Foreign Affairs, see Department of State Bulletin, August 7, 1943, page 85.]

893.00/15094

The Chargé in China (Atcheson) to the Secretary of State

No. 1419

CHUNGKING, August 3, 1943.

[Received August 21.]

Sir: I have the honor to transmit herewith a copy of a report 18 on conditions in Yeungkong, a district city on the southeastern coast of Kwangtung Province, submitted under date of July 19, 1943, by the Consul at Kweilin.

It will be noted from the report that Yeungkong is suffering from famine, despite the fact that it is a rich agricultural area and normally has a surplus of rice. This situation is said to be due mainly to the fact that rice is hoarded by moneyed interests and exported to occupied areas. Basic difficulties appear to be “landlordism” and official corruption, with wealthy absentee landlords adding to their wealth, by reason of the high prices, while tenants suffer from hunger and laborers and fishermen are destitute. The district magistrate, dominated by the landlords, is said to be rapidly becoming wealthy by various forms of dishonesty, such as smuggling and padding the army payroll.

Practically all the trade of the district is reported to be with occupied areas, the district being cut off from interior China by lack of

18 Not printed.
communications. Cloth, medicines, paper, dyes, etc. are brought into the district from occupied China in exchange for rice and tung oil. Only salt is shipped to Free China. From a Japanese-occupied island about ten miles off the coast, there are apparently substantial shipments of wolfram.

According to a report from the Consul at Kweilin, dated July 6, 1943, conditions are somewhat similar in the district of Kityang, near Swatow, in northeastern Kwangtung. Kityang is also the center of a rich agricultural area, but people are starving. This is due partly to inadequate food supplies, a result of a lack of fertilizer, subnormal rainfall and a heavy influx of refugees from occupied areas around Swatow, where conditions are said to be even worse. Mainly, however, it appears to be the old story of corrupt officials and greedy landlords and merchants who hoard grain or export it to occupied China. There is a steady and quite open traffic across the Kityang River, which is the boundary between occupied and Free China, the Chinese officials excusing it by saying that if they prohibited the shipment of foodstuffs to occupied territory, the enemy might raid Kityang and take the entire supply.\textsuperscript{19}

Respectfully yours,

For the Chargé d’Affaires, a. i.:

J. BARTLETT RICHARDS,

Commercial Attaché

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740.0011 Pacific War/3406

The Chargé in China (Atcheson) to the Secretary of State

No. 1430

CHUNGKING, August 4, 1943.
[Received September 1.]

Sir: With reference to the Embassy’s telegram No. 1325, July 28, 6 p. m., in regard to Kuomintang-Communist developments, there are enclosed:\textsuperscript{20} (a) a memorandum of conversation with Miss Kung Peng, a member of the editorial staff of the \textit{Hsin Hua Jih Pao} (Communist-controlled) and part-time secretary to General Chou En-lai, Communist Party representative at Chungking; (b) a summary translation of a circular telegram* said to have been sent by a mass meeting of the Communist Party at Yenan on July 9; (c) a statement* released

\textsuperscript{19} In a memorandum dated September 22 Troy L. Perkins of the Division of Far Eastern Affairs observed: “The report comes first-hand from an American source and the conditions described provide evidence for the contention of the Chinese ‘Communists’ that popular support of the war will sag where corruption and economic oppression are allowed to flourish.”

\textsuperscript{20} None printed.

* These documents which have been furnished the Embassy by Communist representatives at Chungking, are received by radio from Yenan. The receiving set at Chungking is under the control of the 18th Group (8th Route) Army Headquarters. [Footnote in the original.]
by the Central Committee of the Chinese Communist Party on May 26, 1943, in regard to the dissolution of the Comintern; and (d) a translation of a report* said to have been made by Mao Tse-tung, leader of the Communist Party, at Yenan on May 26 following the dissolution of the Comintern.

Summary. Communists attribute the reported lessening of the tension between Kuomintang and Communist forces in Shensi partly to the belief of the Central Government that the Communists are prepared to resist any armed attack on the Border Region. A circular telegram sent to Central Government leaders on July 9 by a Communist mass meeting at Yenan reiterated Communist desire for unity, resistance to Japan, opposition to civil war and determination to defend the Border Region. Kuomintang claims that the dissolution of the Comintern has severely shaken the unity of the Communist Party and are denied by the Communists who assert that the Chinese Communist Party is sufficiently mature to stand alone and that the Comintern has long since ceased to give any but moral support to the Party. There seems to be no likelihood that the differences between the two parties can be settled amicably, and it is believed that neither side is prepared to make the concessions necessary for reaching a settlement of their differences.

There has reportedly been a lessening of the tension between the Central Government and the Communist forces in the Shensi border areas during the past ten days. One of the four reasons to which Miss Kung ascribes this eased tension, as reported in the Embassy’s telegram under reference, is the strong stand taken by the Communist Party at a mass meeting at Yenan on July 9 which convinced the Kuomintang leaders that the Communists were prepared to resist any armed attack on the Border Region. She states that two Kuomintang officials sent to Yenan by the Central Government for liaison work were present at that meeting.

A circular telegram was addressed by this mass meeting to President Lin Sen, General Chiang Kai-shek, the heads of the various Ministries and Yuns, the army officers fighting against the Japanese, the various parties opposing Japan and all compatriots, in which telegram the instigators of the present trouble are said to be Japanese fifth columnists within the Chinese army who are endeavoring to foment civil war. The charge was made that the war against Communism is being given priority over the war against Japan. The telegram then went on to make certain demands and requests of General Chiang and to General Hu Tsung-nan ‡ for the return of the Central Government troops to their original positions, the maintenance of unity and the avoidance of civil war. The Communists demanded the arrest and public trial of Wu Kai-hsien, calling him a secret envoy of the Japanese. (This former Kuomintang leader at Shanghai, who arrived

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*See last footnote on p. 301.
‡ Commanding Chinese troops on borders of Communist areas in Shensi.
at Chungking several months ago, was met at the airport by leading Kuomintang officials, including Dr. Chu Chia-hua, the Minister of Organization of the Kuomintang. He reportedly brought with him peace terms from the Japanese. Unconfirmed reports have reached the Embassy that Wu returned to Nanking in late June bearing with him the reply of the Chungking Government. The nature of the alleged terms and reply are not known to the Embassy.) In the telegram demands were also presented for the punishment of the generals of the Central Government armies who have surrendered to the puppet regime, and all parties and patriots were requested to follow the mottoes of the Communist Party: (1) uphold the war of resistance and oppose civil war; (2) maintain unity; (3) oppose the transfer of Central Government troops to the Border Region and send these troops against the Japanese; (4) punish the organizations which are inciting civil war; (5) support the Communist Party and defend the Border Region; (6) put into practice the San Min Chu I; (7) mobilize the people to protect the entire country, including the Border Region and north China; and (8) overthrow Japanese imperialism and the fifth column.

The Kuomintang authorities, whose statements are paralleled by broadcasts emanating from Japanese radio stations in the occupied areas, claim that there is widespread dissension among the Communists (Embassy's telegram No. 1240, July 21, 9 a. m. and No. 1256, July 22, 5 p. m.) who are said to have been split into three groups as a result of the dissolution of the Comintern. One group, led by Mao Tze-tung, is said to favor the continuation of the Party's present policy; the second group, led by Wang Ming (the last Chinese representative on the Executive Committee of the Comintern who returned to China from Moscow at the end of 1937), is said to support a revolutionary policy; the third group, under the leadership of General Chou En-lai, is described by the Kuomintang as desirous of coming to terms with the Central Government by surrender of the Communist government and army.

Communist representatives at Chungking deny the charges of disunity in the Communist Party and state that, while the dissolution of the Comintern came as a surprise to the rank and file of the Party, it was not unexpected by the leaders. The Communists maintain that the Comintern has provided only moral support for several years and that all material assistance from Soviet Russia in the form of military supplies has for some years gone only to the Central Government. The Communists assert that the Kuomintang is utilizing the dissolution of the Comintern in order to create the impression that there is dissension in the Communist Party. The Communist representatives deny the accuracy of these stories and firmly assert that no such dissension exists. They point to the above-described cir-
cicular telegram as evidence of the unity of the Chinese Communist Party.

In the report said to have been made by Mr. Mao Tze-tung at Yenan in regard to the dissolution of the Comintern (this report was not published in the local Communist newspaper), Mr. Mao asserts that the Comintern has extended considerable assistance to the three great revolutionary movements in China: the northern expedition, the land revolution and the anti-Japanese war. He refers to the assistance given by the Comintern to Dr. Sun Yat-sen and the Kuomintang in 1924 and calls attention to General Chiang Kai-shek's visit to Moscow at that time and the presence of Kuomintang representatives at meetings of the Comintern.

Mr. Mao gives three reasons for the dissolution of the Comintern: (1) the complicated and rapidly changing conditions in different countries require a leadership which can be obtained through a careful study of local conditions. Such a study cannot be conducted by an international organization far removed from the scene of activity in the various countries. (2) A central organization such as the Comintern is inappropriate for the varying conditions found in countries both in the Fascist and anti-Fascist camps, as in both groups there are socialist, capitalist, colonial and semi-colonial entities. (3) the Communist Parties in the various countries have reached maturity. The ability of the Chinese Communist Party to stand alone is shown by the circumstance that since 1935 the Comintern has not interfered with internal questions of the Party. Mr. Mao continues that the dissolution of the Comintern is thus not for the purpose of weakening the Communist parties of the various countries but rather for the purpose of strengthening the parties in order to make them more nationalistic and more in conformity with the needs of the anti-fascist war. He adds that the disciplinary movement of the Communist Party has in recent years opposed subjectivism, sectarianism and party formalism in order to make the Party a national party in conformity with the needs of the war and of national reconstruction. Mr. Mao concludes with an appeal for unity, stating that there are two prerequisites: unity within the party and unity between the party and the people.

It is difficult to know where the truth lies between the charges made by the Kuomintang that the Communist Party has been severely shaken by the dissolution of the Comintern and the assertions of the Communists that their Party is firmly united both against the Japanese and against any attack from the Central Government. It seems probable that the dissolution of the Comintern has produced a psychological reaction among the Communists who may now feel that the Kuomintang believes itself to be in a position where it can move against the Communists without fear of too adverse a reaction from
Soviet Russia. The final appeal of Mr. Mao Tze-tung in his above-
described report points to the necessity of unity and, by implication,
to some fear that complete unity does not exist. The Kuomintang
may have assumed that Communist unity was so severely shattered
that it could successfully attack the Border Region or that its exertion
of pressure on the Communists could bring about Communist accept-
ance of terms favorable to the Central Government.

The Embassy has so far received no indications that the Com-
munists are willing to accede to Kuomintang demands that the Com-
munist Border Government and army be surrendered to the Central
Government. There are indeed indications to the contrary, as shown
by reports (Embassy's telegram No. 1325, July 28, 6 p. m.) that there
exist fears that the Communists may attempt to move west into Kansu
Province within the next year. The struggle between the two parties
thus seems likely to continue, and the situation shows no signs of
being ameliorated through concessions on the part of either faction.

Unless the Chungking authorities feel that the present moment
offers the most favorable opportunity for liquidation of the Com-
munists or unless the Central Government control over the areas now
under its authority should become so weakened through local dis-
sension as to make any such areas susceptible to Communist propa-
ganda or easy prey to Communist attack, it seems probable that the
final settlement of the Kuomintang-Communist problem will be
postponed until the end of the war.

A thorough settlement would on the one hand include the estab-
lishment by the Chungking leaders of representative government with
participation therein by the Communist Party and on the other hand
would include surrender by the Communists of their Border Govern-
ment and army. Given the present temper of the Kuomintang leaders
and the determination of the Communists not to make any important
compromise which would deprive them of guarantees of their support
(that is, their Border Government and army), prospects of such a
settlement seem so remote as to be beyond the realm of possibility.
Most observers are accordingly of the opinion that open and bitter
hostilities are inevitable in the long run.23

Respectfully yours,

GEORGE ATCHESON, JR.

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23 In a memorandum dated September 27 Augustus S. Chase of the Division of
Far Eastern Affairs commented: "Although the Chinese Communists do not
practice Communism at present and although they state that the dissolution of
the Comintern has ended their dependence upon Moscow, the following excerpt
from enclosure no. 3 (statement released by the Communist Party on July 9
[May 26]) indicates that the Chinese Communists continue to regard (or profess
to regard) Communism as an international force and as the ultimate desideratum
for China:

'Chinese Communists are Marx-Leninists. Marxism-Leninism is science
which knows no state boundaries. The Chinese Communists will certainly con-
tinue to apply and develop Marxism-Leninism dialectically in accordance with
our own conditions in order to serve the cause of resistance war and national
reconstruction.'"
Washington, August 5, 1943—5 p. m.

1036. Your 1254, July 21, 4 p. m. During the course of a conversation on July 30 with the Chinese Ambassador, I mentioned a report that had reached us to the effect that T. V. Soong had sent word to Chungking that an American official had spoken in a rather officious manner about China’s policies as they relate to the Communist situation there. I remarked that I could not understand this and I said that, although some American officials, including myself, have wanted at all times to be kept informed concerning China’s internal situation involving political and economic aspects, et cetera, primarily in order to be currently informed as to China’s capacity for resistance in the war between her and Japan, any inquiries on those points, of course, have not the remotest resemblance to what Dr. Soong is said to have reported to Chungking. Ambassador Wei said that he had not heard of the report, that it was likewise incomprehensible to him.

Hull

893.00/15109

The Second Secretary of Embassy in China (Service) to the Chargé in China (Atcheson)

No. 24

Lanchow, August 5, 1943.

Sir: I have the honor to transmit a memorandum of comments made to me by Mr. M. Konstantinoff, the Soviet Embassy representative in Lanchow, regarding the war and internal problems in China.

In brief summary: Mr. Konstantinoff is concerned over the Kuo-mintang-Communist situation but denies the possibility of Russian intervention or assistance to the Communists. He also feels that the present Chinese Government is making a mistake in its handling of the minorities question in the Northwest and border regions. He does not expect Russian participation in the war against Japan.

Mr. Konstantinoff served in the Consulate General at Shanghai from about 1937 to 1940, returned to the Foreign Office for a period of duty, and then came to Lanchow in August, 1942. He has been very friendly to me, and to Captain Tolstoy, U. S. A., who has been in Lanchow for the past month, and has been willing to discuss

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24 Copy transmitted to the Department by the Chargé in his despatch No. 1481, August 17; received September 3.
25 Ilya Tolstoy, of the Office of Strategic Services; see pp. 620 ff.
general problems with an openness and apparent frankness rather unusual for our Russian colleagues.

Respectfully,

JOHN S. SERVICE

[Enclosure]

Memorandum by the Second Secretary of Embassy in China (Service)

LANCHOW, August 5, 1943.

Mr. Konstantinoff’s comments regarding the suspicion with which he is treated by the local authorities has been mentioned in other reports (see despatch no. 22, August 3, 1943 26). He considers Americans relatively free from this attitude and envies what he speaks of as our freedom to travel and to make personal contacts with Chinese.

He is very much interested in the Mohammedan question in the Northwest and in the Chinese treatment of the Tibetans and Mongols. The Mohammedan question, he feels, is more important than Chinese realize and they will continue to be opposed by the Mohammedans until Mohammedan interests are recognized and given a more important share in Party and local government matters. Mohammedan unrest, along with agrarian and landlord resistance to taxation and conscription is, he believes, an important factor in the recent disturbances in Kansu.

The Tibetans and Mongols, he believes, cannot be won to China unless China abandons its attitude toward “subject” peoples, gives up its present policy of “sinification”, and gives up its efforts to govern them by direct control or through support of their own feudalistic leaders. Positively he thinks that the Chinese must permit these peoples to have their own free cultural development, grant them full powers of local government (at the same time assisting their progress toward democracy by weakening the power of the church and feudal nobility), and assist their economic development by technical help in such matters as control of animal disease. Mr. Konstantinoff has recently been reading Owen Lattimore’s Inner Asian Frontiers of China. He expresses great interest in it and general agreement with its conclusions.

The model for his thinking on the minorities question is obviously the Russian treatment of its own Central Asian minorities and the revolution that has been brought about in Outer Mongolia. He denies Russian control of Outer Mongolia but admits Russian assistance. The conditions of the people as a whole have been so improved that the country will fight against either Japan or China if the need arises.

Similarly in regard to Sinkiang, Mr. Konstantinoff fears that Chi-

26 Not found in Department files, but see despatch No. 1480, August 17, from the Chargé in China, p. 315.
Chinese policies, unless radically changed, will alienate rather than win the people. In any event, he believes, Sinkiang cannot avoid having closer economic ties with Russia than with China.

The current emphasis on the development of the Northwest has primarily political significance. Development work cannot be carried out until after the war and even then only in the face of physical difficulties which the Chinese will not for some time, because of technical deficiencies, be able to surmount.

Mr. Konstantinoff is much concerned over the present tension between the Kuomintang and the Chinese Communists. At the same time he appears to be without channels of information on actual developments. He has avoided contact with the Communist representatives in Lanchow and is always interested in attempting to learn any news that I may have. He feels strongly that the Kuomintang will be making a "very serious mistake" if it attempts to liquidate the Communists by force, suggesting that the Communists may utilize forces of discontent in the country and prove too strong for the Kuomintang. He is pessimistic about the future of relations between the two parties and regards eventual trouble as probably inevitable.

He laughs at Chinese rumors and stories of Soviet planes flying back and forth to the Communist area, denies that they have received any material assistance from Russia "for many years", and goes on to say that Russia is now too concerned with her own life-and-death struggle to intervene in China or to give help to the Chinese Communists. (His remarks may be interpreted as implying, however, that if Russia were not so concerned with the war against Germany, she might be interested in helping the Communists.)

In discussing the Communists he takes the line that they are not Communist in the Russian sense. But he believes that China is not ready for full Communism and that the Chinese program is therefore more appropriate for the conditions in China. He believes the Communists have made great progress in honest government, in eliminating graft and corruption, in economic control, in political indoctrination of the people so that they have an interest in the war, and in representative government.

He criticizes the reactionary tendencies of the Kuomintang and their treatment of the people.

Discussing the possibility of Russian participation in the war against Japan, Mr. Konstantinoff thinks that this is unlikely. Russia's own problems in defeating Germany and in rehabilitating her destroyed areas will consume her entire resources for some time. She will be friendly toward the Allies in their war against Japan but her assistance will probably not go as far as permitting American use of Russian airbases.

JoHN S[TEWARD] S[ERVICE]
The Secretary of State to the Chargé in China (Atcheson)

WASHINGTON, August 7, 1943—11 p.m.

1053. Department has been notified by Institute of Pacific Relations that Edward C. Carter and W. L. Holland, representatives of that organization, are now en route to China.

We understand that Dr. T. V. Soong has already notified the interested Chinese officials in Chungking of Mr. Carter’s approaching visit.

HULL

The Chargé in China (Atcheson) to the Secretary of State

No. 1448

CHUNGKING, August 9, 1943.

[Received September 1.]

Sir: I have the honor to refer to the Embassy’s telegram No. 1197, July 16, 10 [8] a. m. in regard to the recent change in status of certain Chinese consular offices in the Soviet Union and to transmit herewith a copy of a despatch (no. 17 of July 3, 1943) from the Consulate at Tihwa on the general subject of Sinkiang–U. S. S. R. relations.

Mr. Clubb first sets forth in somewhat more detail the information contained in the Embassy’s reference telegram.

He then gives such information as he has been able to obtain in regard to political prisoners in Sinkiang, a subject which he apparently confused with the Department’s inquiry (telegram no. 823, June 29, 5 [9] p. m. to the Embassy) in regard to imprisonment of Chinese nationals in Siberia. Mr. Clubb quotes the estimate of a reliable but not necessarily exactly informed source to the effect that during the past three years about 1,000 persons have been imprisoned in Tihwa for political reasons, including some 800 since August 1942 (the date of the visit to Sinkiang of Mme. Chiang Kai-shek and General Chu Shao-liang). A number of Chinese returned students from Russia and other intellectuals are reportedly included in this latter group. Mr. Clubb makes a “conservative rough estimate” that some 20 Russians and perhaps 40 Chinese (assumably political prisoners) have been released from Tihwa prisons since last August.

In the latter part of his despatch Mr. Clubb discusses at some length Soviet-Sinkiang relations and the political situation in Sinkiang. His observations may be summarized as follows:

*Not printed.*
It appears probable that the political influence until recently exercised in Sinkiang by the Soviet Union has been somewhat overestimated due to exaggerated political significance being attached to the stationing of Russian troops at Hami, the presence of Soviet advisors and technicians in the Sinkiang government, the trade relations between Sinkiang and the U. S. S. R., and political imprisonments which seemed to be the result of Soviet influence. The present deterioration in Soviet-Sinkiang relations began in the summer of 1942 when Governor Sheng Shih-tsai, apparently underestimating Russian strength vis-à-vis Germany, and overestimating the potentialities of the Chinese Central Government, found it opportune to re-orient his relationships under circumstances unlikely to increase sympathy between the Soviet Union and either Sinkiang Province or the Central Government.

Mr. Clubb cites instances of political unrest in Sinkiang (in spite of the very strict police control in the province) and points out that the political situation may be expected to worsen with the anticipated deterioration in the provincial economy, a situation which does not point to any increase in the stability of Governor Sheng's regime or in Central Government influence in Sinkiang. Although he hints that the Soviet Union would not be above taking advantage of the situation, Mr. Clubb thinks it highly improbable that the Russians would, under present circumstances, enter Sinkiang in force in order to set up a regime sympathetic to them.

Respectfully yours,

George Atcheson, Jr.

Memorandum by Mr. Augustus S. Chase of the Division of Far Eastern Affairs

[Extracts]

[WASHINGTON,] August 9, 1943.

Reference underlying despatch no. 1220 of May 31, 1943, from our Embassy at Chungking, enclosing the original Chinese text of Generalissimo Chiang Kai-shek's book, China's Destiny, and a condensed translation thereof prepared by the British Embassy at Chungking (copy of which had already been received in the Department through another channel).
COMMENT

The Embassy’s views in regard to the significance of the book and its anti-liberal and somewhat anti-foreign tone are believed to be well taken. It is believed, however, that foreigners, in their initial reaction to the book, have perhaps shown a tendency to view it solely in the perspective of the war and United Nations objectives and hence to overemphasize undesirable features which from a long-range viewpoint take on a more natural if not less disturbing character. In fairness the following may be pointed out:

Criticism of foreign countries, with the exception of Japan, is largely confined to the pre-war past—though it is true that an unfortunately distorted and biased picture of China’s treatment by foreign nations is drawn with the obvious purpose of keeping alive the impression that China’s past ills and failures were the result of the “unequal treaties”. With respect to the present and future, the sentiment toward foreign countries other than Japan and its Axis partners is friendly rather than hostile except for an assertion in Chapter VIII that European political philosophy makes mankind the slaves of the techniques of war and industrial production in contrast to China’s philosophy which regards them as servants of mankind. Even with regard to the past, criticism of the United States is limited to including us among the nations which imposed “unequal treaties”: There is no specific censure, no mention, for example, of the Nanking Incident, of American oil shipments to Japan, of our immigration laws, or of the “inadequacy” of our aid to China. The past encroachments of Britain and Russia are severely and specifically censured, but in both the past and present Japan is the principal target and the epithet “Japanese brigands” appears frequently. China’s new “equal treaties” with the United States and Britain are extolled at length and it is stated that their conclusion “is not only the most important page in the history of the rebirth of our Chinese people, but the friendly nations of America and England have erected a shining beacon to the equality and freedom of the world and humanity.” There are several cordial references to China’s association with the United Nations and their common objectives and at least brief passages which refute the charge that Nazism and Fascism are not attacked. While it is made clear that Outer Mongolia, Kowloon and Hong Kong should be returned to Chinese control, the approach here is friendly in tone. Sympathy for the aspirations of Asiatic peoples is expressed but without any threat or specific demands.

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26 Notation by the Adviser on Political Relations (Hornbeck): “Many Chinese believe it. S. K. H.”
Even the worst passages of the book are more moderate than propaganda issued by the Kuomintang at earlier stages of its career.

As the Embassy indicates, the book's anti-liberal tone appears of more serious consequence than its anti-foreign aspects. Even here, however, the book is not a new iteration of policy but only an authoritative confirmation of already manifested reactionary Kuomintang views. Moreover, the basis for objection lies less in the actual statements made than in the inferences to be drawn from a background knowledge of the Kuomintang's past conduct. Thus, one could hardly describe as reactionary the statements that all political views will be tolerated save those which seek to overthrow Kuomintang control by force, that local political and social reforms are being undertaken and have only failed of completion as a result of disturbed conditions, that the Kuomintang program calls for “equalization of land rights and limitation of capital”, and that individual freedom must be tempered with respect for the law. It is only when one realizes the past consistent failure of the Chungking Government to carry out its pledges to the people, the obstinate determination of reactionary Kuomintang elements to preserve their power and opportunities for profit, and the uncompromising attitude toward the Chinese Communists that the unfortunate significance of the book becomes evident. Even the position taken toward Western democracy is offset by well-sounding statements with which it is difficult to take issue.

In conclusion, the worst that may be said of the book is that it authoritatively reaffirms undesirable policies already expressed and that a particularly unfortunate time has been chosen for its publication. The best that can be said of it is that it is obviously intended to build up a spirit of patriotism, unity, self-respect and self-reliance among the Chinese people and that the methods used to achieve this purpose are probably no worse than those employed in nationalistic propaganda of most other countries.

803.218/261

The Chargé in China (Atcheson) to the Secretary of State

No. 1449

CHUNGKING, August 9, 1943.
[Received September 1.]

Sir: I have the honor to report that the Consul at Tihwa, in a telegram dated August 1, states that he has been confidentially informed by the local Special Delegate for Foreign Affairs that the Soviet Russians are removing all equipment but water and light units from
the Toutungho airplane assembly plant; that the U.S.S.R. Government is now offering to sell the remaining installations to the Chinese Government at a reported price of $4,000,000 (assumably U.S. currency); and that the chief of the Chinese air force, General Chou Chih-jou, who recently inspected the plant, will probably recommend to the Generalissimo that it either be re-equipped for plane assembly or used as an advanced air training school, and that American lend-lease aid be requested to enable purchase of the present plant and needed additional equipment. Mr. CluBB states that he is reporting more fully on the matter by mail.

In a mail despatch (no. 20, July 23, 1943*) Mr. CluBB gives the following information in regard to the Toutungho plant.

"The T’ou T’ung Ho airplane assembly plant, which has operated under the name “Agricultural Implements Factory”, is located 42 kilometers from Tihwa, at the foot of a mountain range at the approximate point at which a small river (presumably of the same name) debouches onto the plain, on a road which leaves the main highway at a point 23 kilometers northwest of town in a line directly southwest. It is reported that Russian evacuation of that place is nearly completed, the only remaining material to be removed consisting of lumber, furniture, etc. Information obtained in Kuldja indicated that about 800 Soviet Russian citizens (including families) had been in residence at that place and were now removing to the Soviet Union. The location is not readily observable from the highway, but from one point it was seen to include a good number of buildings and something which seemed to be a water tower.

It is not as yet clear just why, from both the Chinese and Russian points of view, the project in question was originally undertaken."

No information is available as to the exact extent of the development at Toutungho but it is the Embassy’s understanding that no planes have actually been assembled there.

From information at present available the geographic location of the plant and the transportation difficulties in Sinkiang would seem to render its use either as a plane assembly plant or an air training school economically impractical. If it later appears that the Chinese desire to push the project and that their motives are principally political, the Embassy suggests that the Department might wish to give consideration to the implications of American aid for the project before such aid is extended.

The Embassy will, of course, keep the Department fully informed of any further developments.

Respectfully yours,

GEORGE ATCHESON, JR.

*Not printed.
CHUNGKING, August 11, 1943—3 p. m.  
[Received August 11—12:54 p. m.]

1429. Embassy’s 1325, July 28, 6 p. m. That [The] New York Times correspondent has been informed by an authoritative source that Government “had decided” not to use force to resolve Kuomintang-Communist difficulties. Both the New York Times and the UP correspondents have been informed by Ministry of Information that they may report that Government definitely will not use force against Communists.

I am informed by one of the highest officials of the Government that some tension in the situation still exists but that Government will not resort to force and that in his opinion the difficulties will be resolved, if not during war, at least very shortly after peace comes, by political means. He spoke with obvious assurance in regard to Government’s intention not to resort to force.

ATCHESON

CHUNGKING, August 12, 1943—6 p. m.  
[Received August 12—3:16 p. m.]

1438. Embassy’s 1183, July 14, noon. The Military Attache Colonel DePass, who has recently returned, yesterday received a visit from the Soviet Military Attache who indicated that the Soviet Government was much concerned over the Kuomintang-Communist situation and who made persistent efforts to elicit information as to the probable attitude of the American Government, especially in regard to the continued furnishing of aid to China, in case actual hostilities between the Kuomintang and the Communist forces should break out. (I am satisfied that DePass handled the conversation properly.)

This continued more or less open Soviet interest in the Kuomintang-Communist situation is of perhaps more than superficial significance. It seems to offer for one thing an illuminating sidelight on present Sino-Soviet relations and might be interpreted as giving some support to fears, which are deeply ingrained in reactionary Kuomintang Government circles, of Russia’s good faith as a partial Ally and of Russia’s future intentions. For example, the line of argument of Chinese officials who have advocated the resolving of the Communist
problem by force has been that otherwise, if and when Russia should enter the war against Japan, Russian forces would sweep down through Manchuria and Korea and their Chinese Communist colleagues would take over North China. Now with the Communist question added to other important outstanding Sino-Russian problems the prospects of friendly and sincere cooperation between Russia and China either during or after the war would seem to be lessening rather than increasing.

Repeated to Moscow.

ACHESON

893.00/15088: Telegram

The Chargé in China (Acheson) to the Secretary of State

CHUNGKING, August 16, 1943—5 p. m.
[Received August 16—2:26 p. m.]

1483. Following from Drumright at Sian dated August 13.

Having just arrived at Sian from Peiping via Yenan, Gustav Soderbom 31 reports attending a mass meeting at Yenan, the most significant feature of which was defiance and antagonism displayed toward the Central Government. He states that Chu Teh and Chou En-lai told him the Chinese Communists will not disband and will resist if attacked by central armies which comprise 11 divisions and 2 brigades along boundary of special area from the Yellow River to Kansu.

ACHESON

893.00/15108

The Chargé in China (Acheson) to the Secretary of State

No. 1480

CHUNGKING, August 17, 1943.

[Received September 3.]

Sir: I have the honor to refer to the Embassy's telegrams Nos. 1325, July 28, 6 p. m. and 1438, August 12, 6 p. m., and to enclose, as of possible background interest, a copy of a memorandum of August 3, 1943 32 from the Embassy officer at Lanchow in which various illustrations are given of the antipathy to Soviet Russia and the Chinese Communists currently being manifested in official and Kuomintang Party circles in Lanchow.

These illustrations include the onerous restrictions upon the activities and contacts of the Soviet Embassy representative at Lanchow; the minimizing, in local propaganda, of Russia's part in the war; various evidences of Chinese expectations of a future conflict with

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31 A Swedish subject who had resided many years in China.
32 Enclosure not printed.

332545—57—21
Russia; and remarks of various officials indicating antagonism toward Soviet Russia and the Chinese Communists.

Respectfully yours,

GEORGE ATCHESON, JR.

800.00B Communist International/325 : Telegram

The Ambassador in the Soviet Union (Standley) to the Secretary of State

Moscow, August 18, 1943—1 p.m.
[Received August 19—3:30 a.m.]

1115. Department’s 455, June 18, 9 p.m. My 114 [1114], August 18.33 The article on China is noteworthy since it is the first Soviet press statement openly to champion the cause of the Chinese Communists whose role in China’s struggle for independence is emphasized. Moreover it is more critical of Japan than before [has been] the case in the Soviet press. The article is also interesting in that it attacks as pro-Japanese the Chinese groups which are allegedly seeking to destroy Communist Fourth and Eighth Armies. Finally, while Chiang Kai-shek is not attacked, elements in his following and in the Chungking Government are accused of treason.

STANDLEY

893.00/15112

The Chargé in China (Atcheson) to the Secretary of State

No. 1485

CHUNGKING, August 18, 1943.
[Received September 13.]

SIR: Reference is made to the Embassy’s despatch No. 1310 of June 30, 1943 on the subject of conditions in Kansu Province.

There is now enclosed a copy of a despatch No. 9, July 18, 1943, with enclosure, 34 from the Second Secretary at Lanchow, in regard to political unrest in Kansu, which may be summarized as follows:

An agrarian uprising which occurred in parts of Kansu last spring, in which perhaps 50,000 or more armed peasants participated, has now subsided assumably because of their present [pre]occupation with the cultivation and harvesting of crops. Among the causes of the unrest were (1) dislike for the provincial regime (the chairman is considered unduly harsh and his subordinates, principally from other provinces, are considered “foreign”); (2) resentment of conscription

33 Latter not printed; it reviewed articles in War and the Working Class of August 1, 1943 (861.9111/424).
34 Neither printed.
and heavy grain collections; (3) apparent attempts by the Provincial
Government to suppress the opium trade, which is largely in the
hands of secret societies which are linked to the powerful landlord-
gentry class; and (4) presence within the province of armed, dis-
banded former soldiers.

According to Mr. Service, it appears likely that, with the comple-
tion of agricultural activities in the Autumn and recommencement
of collection of taxes in kind, disturbances will recur. To meet this
situation and to guard against a possible attempt by the Communists
to capitalize on the situation by moving into Central Honshu, the
troops in the province have been reinforced and defense works are
being constructed.

Respectfully yours,

George Atcheson, Jr.

761.30/8-1943

Memorandum Prepared in the Department of State

[WASHINGTON,] August 19, 1943.

U.S.S.R. AIMS IN THE FAR EAST

I

The basic aims in the Far East of the Soviet Union do not differ in
fundamental character from its aims in Europe, in the Near East,
or in other areas adjacent or near to the U.S.S.R. The perhaps pri-
mary motivating factor in Soviet policy is a natural desire to promote
national security. The economic and political—including security—
aspects of Soviet aims in the Far East are closely interwoven.

The Soviet Government has as one of its paramount political ob-
jectives the creation of well disposed and ideologically sympathetic
governments in nearby areas. As outstanding examples we have the
Soviet Union’s infiltration into Outer Mongolia (where a Soviet Gov-
ernment has been created) and its influence in Sinkiang and among
the so-called Chinese Communists in northwest China. It is believed
that Korean guerrillas operating in Manchuria have close Soviet
connections. By virtue of Soviet influence in Outer Mongolia, the
Mongols in Inner Mongolia would probably be susceptible to Soviet
propaganda and infiltration. Reference to the German, Polish, Yugoslav
ian and other “free” movements sponsored by the Soviet Govern-
ment should give clear indication of the course which that Government
is likely to attempt to follow vis-à-vis China, Korea, Japan and
possibly other areas in the Far East, such as Burma, Thailand and

*Drafted by the Adviser on Political Relations (Hornbeck), the Chief of the
Division of Far Eastern Affairs (Ballantine), and Max W. Bishop and John
Carter Vincent of the same Division.
the Philippines if and when the Soviet Government feels the time is propitious. The Soviet Government has a deep organic suspicion of any and all non-Soviet governments. This suspicion gives rise to determined efforts to bring neighboring governments and peoples into Soviet Russia's orbit and actually, if not openly, to exercise control over them. At the same time and for similar reasons, the Soviet Union seeks to influence and, if possible, to gain control of social and economic movements which might be termed revolutionary in the orthodox sense of that term. Movements of this character may be expected to increase in the Far East.

The Soviet Government still has a strong desire for warm water ports. It is to be expected, therefore, that one of its basic objectives in the Far East is to obtain access to the Pacific through a port or ports in north China or in Korea. As a corollary to this objective, we may also expect Soviet Russia to desire transit privileges via the railways across Manchuria to a warm water port or ports and to Vladivostok. It is probable that Soviet Russia would not feel it necessary to annex a warm water port in north China or in Korea provided such port or ports were under a government of which the Russian Government approved and upon which it felt it could rely—in other words, a government more or less similar to that which now exists in Outer Mongolia.

II

So long as the military situation in Europe is such as to require the concentration of practically all of the offensive strength of the U.S.S.R. against Germany, it is probable that the implementation of Soviet policies in the Far East will be confined for the most part to political maneuvering and intrigue, to dissemination of propaganda and to proselyting of Communist disciples. In the meantime the Soviet Government will take full advantage of every possible opportunity to prepare for more positive action in the future. It is difficult to estimate what the situation in Soviet Russia will be after the termination of Russo-German hostilities, and it is correspondingly difficult to estimate the amount of strength which Soviet Russia will then be able to turn toward the Far East. It is reasonable to expect, however, that Soviet Russia will at some time in the future depart from its present policy of not offering material assistance to the Chinese Communists and of not openly opposing the Japanese. An article recently published in a semi-official Soviet journal criticizing the Kuomintang Government of China affords illuminating evidence that the U.S.S.R. is acutely conscious of developments in the Far East. It is most likely that while the Soviet Union remains engaged in Europe on the present scale it will continue to follow a policy of expedient stability in its relations with Japan and of maintaining at least openly
a neutral attitude between the Chinese Communists and the Kuomintang.

One effect of peace in Europe will be to strengthen Soviet Russia's hand in the Far East.

The degree to which Soviet influence in the Far East will be increased will depend upon a number of factors which must for the present at least remain imponderables. It is to be noted, however, that conditions in the Far East and the policies and programs pursued by China, by Japan and by Western countries will have an important effect upon the development of the position of Soviet Russia in the Far East. In other words, in addition to the positive side of Russian aims, policies and programs, account must also be taken of probable situations and conditions which might further Soviet aims without there being put forth any considerable positive effort on the part of the U.S.S.R. It may be assumed that areas in the Far East where there exist social unrest and political instability, conducive to the type of so-called revolutionary movements mentioned earlier in this memorandum, will furnish fertile fields for the extension of Soviet influence. Such a development need not, and probably will not, have as its aim territorial aggrandizement or even well-defined political objectives on the part of the Soviet Union. It may quite understandably be more in the nature of an attraction on the part of the peoples of those areas to Soviet Russia, because of dissatisfaction with governmental policies and conditions in those areas, than in the nature of a positive move on the part of the Soviet Government. It is well to bear in mind, therefore, that post-war conditions in China and other Far Eastern areas—such as failures to give serious attention to the needs of the people—may be more responsible for political developments in the Far East in which Soviet Russia would be concerned than any policy or initiative taken by the Soviet Government. There will be a natural tendency, however, on the part of the authorities in the area concerned, such as in China, to place the blame for their own failures at the doorstep of Moscow as the instigator of social unrest.

In any post-war settlement which is worked out in the Far East it is to be expected that Soviet Russia will seek to influence that settlement in a way which would facilitate the realization of basic Soviet desiderata set forth in the first section of this memorandum. It is believed that this will be true whether Soviet Russia actively enters the war against Japan or not. The Soviet Union will probably seek to gain control of or to create Sovietized governments among the peoples of Inner Mongolia, Manchuria, Korea and possibly other areas in the Western Pacific; in the matter of influence, Soviet desires would include substantial influence in and over Japan.
Should the Soviet Union, as is likely, enter the war against Japan in its later stages and before Japan's capitulation, she would probably endeavor to send troops into Manchuria, southern Sakhalin and Korea. Were she to achieve this, she would probably make demands for some territorial and/or administrative advantages in those areas for Soviet account; but this is problematical. The Soviet Union would probably demand an important voice at any conference in relation to the settlement of Far Eastern affairs. In any event it is reasonable to expect Soviet Russia to wish to move into areas, if any, in north China and possibly Korea where a political vacuum might have been created by the defeat of Japan.

(The foregoing estimate takes no account of the possibility of a separate peace between Germany and the U.S.S.R. Should a separate peace be made between these two countries more active Soviet interference in China might well be forthcoming, as well as efforts to bring about peace between Japan and China in order for obvious reasons to prolong Japan's war with the United States and Great Britain.)

Existing conditions in China and the probable conditions throughout the Far East at the end of the war make it likely that the Soviet Union will be in a strong position toward achieving its fundamental aims in regard to those areas.

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803.245.280. Telegram

The Chargé in China (Atcheson) to the Secretary of State

CHUNGKING, August 19, 1943—9 a.m.

[Received 1:45 p.m.]

1508. Department's 1113, August 16. Embassy's despatch 1449, August 9, forwarded by pouch August 11, communicates information from Consul at Tihwa obtained from Foreign Office representative there to the effect that Soviet Russians are removing all equipment but water and light units from Toutungho airplane assembly plant near Tihwa, only such plant known to exist in Sinkiang.

Consul reported under date July 9 that Soviet sources confirmed reports of Russian withdrawal from the Tushan oil field near Wusu, only field known to have been developed in Sinkiang. Withdrawal said to involve removal of all equipment totalling some 15,000 tons and to require several months time although production already stopped.

Atcheson

* Not printed.
POLITICAL CONDITIONS

893.00/15068: Telegram

The Chargé in China (Atcheson) to the Secretary of State

CHUNGKING, August 21, 1943—1 p.m.
[Received 4:35 p.m.]

1532. According to reliable sources, the next session of the CEC, originally scheduled for November, will begin about September 5, agenda to include Kuomintang-Communist relations and selection of new President of National Government. Consideration is also being given to possible adoption of some alteration in governmental structure by providing something in the nature of a democratic appearing façade to meet recent foreign criticism of the administration's Fascist tendencies. One suggestion along this line is that Presidency be made a position of actual executive authority on either American or former French lines and that there be a Prime Minister and a Cabinet composed of the heads of executive ministries.

The People’s Political Council is expected to meet in September after the CEC session.

ATCHESON

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811.48 Institute of Pacific Relations/198: Telegram

The Chargé in China (Atcheson) to the Secretary of State

CHUNGKING, August 24, 1943—3 p.m.
[Received 4:04 p.m.]

1552. Department's 1053, August 7. Carter and Holland arrived August 22 without notice, came to Embassy, as no arrangements had been made for them, stayed with us until yesterday when they moved to Dr. Kung's “suite” at a foreign style hostel. They saw the Generalissimo August 22 by appointment arranged [by] Assistant Military Attaché?.

They inform us now this visit was inspired by Soong and undertaken on invitation from Generalissimo after a consultation with Mr. Welles, Mr. Hornbeck and other Department officers and that they carry a letter from the White House. They have expressed considerable interest in Communist situation. They plan in about 3 weeks to proceed to Russia.

ATCHESON

* Central Executive Committee of the Kuomintang.
WASHINGTON, August 26, 1943—6 p.m.

1186. Your 1552, August 24, 3 p.m. Regarding visitors' expression of interest in the Communist situation, for Embassy's guidance, Department has approved views expressed in a recent OWI directive that the less discussion there is currently of Kuomintang-Communist difficulties and problem the better.

HULL

CHUNGKING, September 1, 1943—4 p.m.
[Received September 3—9:53 p.m.]

1618. Embassy's 1483, August 16. Drumright at Sian reports having been informed August 26 by General Hu Tsung-nan's Chief of Staff that no armed conflict with the Communists has recently occurred and that the Central Government still hopes for a political rather than a military solution of the Communist problem. The general impression in Chungking is that the period of tension has passed, at least pending the outcome of the forthcoming session of the CEC (Embassy's 1532, August 21).

ATCHESON

Memorandum by the Chief of the Division of Far Eastern Affairs (Ballantine) to the Secretary of State 39

[WASHINGTON,] September 2, 1943.

Mr. Secretary: Recently there has appeared in the American press considerable discussion of conditions in China and of the state of China's war effort. Some of that discussion has been extremely critical; some has been sympathetic.

In the light of that discussion and without attempting to deal with all details thereof, FE believes that you may be interested in FE's comments on certain aspects of the general situation which would seem to be important in reference to this Government's formulation of policy.

39 Forwarded to the Secretary of State by the Adviser on Political Relations (Hornbeck) with his memorandum of September 15: "This is a volunteered expression by FE of views regarding current developments and trends in China."
POLITICAL CONDITIONS

I

In recent months development within the Government of China of an increasingly reactionary type of nationalism has been apparent. This development is marked by suppression of freedom of movement and of expression of thought through expansion of censorship and secret police methods. Conditions exist in which there are inherent factors of potential civil war. Increased propagation of artificial philosophies of national heritage and "destiny", as enunciated by the leader, and also a growing avoidance of and withdrawal from foreigners have been noted. Economic power is concentrated in a few hands.

If this trend toward political and economic nationalism continues, China will become a country where all opposition to a small ruling group will be stifled and where that ruling group, by inculcating suspicion of foreigners, will stand between the people of China and other nations and peoples. Mutually frank relations would be made difficult by narrow-gauge Chinese nationalistic aspirations which include a desire to occupy a role of leadership throughout the Far East and India where nationalism is growing. Our observers in China frequently in recent months have submitted many statements corroborative of the increasingly reactionary character of the Chinese Government.

II

The present Government of China is admittedly under the exclusive control of the Kuomintang party of which Generalissimo Chiang Kai-shek is the "leader". The Generalissimo through the exercise of balance of power among a group of lesser figures and through his own personal prestige and ability has gathered into his own and his party's hands the control of much of unoccupied China.

This growth of power has been accompanied by an acceleration of chauvinistic nationalism. Two recent books under the authorship of the Generalissimo are evidence of this attitude. His China's Destiny reflects excessive nationalism, a definite inclination toward reliance on fascist doctrines, and a repudiation of democracy. His Chinese Economics similarly exhibits ultra nationalism and fascist ideology. These books display an antipathy for and a suspicion of western nations. Both books have been withdrawn from limited circulation, presumably because of realization of the unfavorable repercussions in western countries which would follow their dissemination. On the other hand, in certain passages of the books friendliness toward the United Nations is specifically expressed. Furthermore, in view of the lack of unity and political decentralization which has been conspicuously a source of national weakness in
China, there is something to be said in favor of the emphasis placed in these books on patriotism and the need of developing a cohesive nationalism.

The attitude of the Generalissimo and the Kuomintang toward the so-called “Communists” is further evidence of determination to maintain one-party control. The Chinese “Communists” form the only movement in recent years which has openly aspired to a position of national importance rivaling the Kuomintang. Prior to 1937, war was openly waged between the Central Government and the Chinese “Communists”. In the face of Japanese aggression, however, the Kuomintang and the “Communists” formed a common front against Japan. Nevertheless they have failed to evolve a stable relationship. The consensus of observers in China is that eventual renewal of civil war is likely. Today the “Communist” territory is blockaded by several hundred thousand of the best troops in China, and block houses have been erected facing the “Communists”. In justice to the Chinese Government, however, it should be added that, while blockading the Chinese “Communists”, those troops are at the same time guarding a vital part of China from a possible Japanese advance into the northwest.

III

There has been pointed out the desirability of bringing into the light points of difference and friction in international affairs. The virus of nationalism in China, with its attendant internal manifestations, with its suspicion and misunderstanding, is capable of becoming a cancer. Perhaps the most important political problems which we shall face in achievement of our policies and objectives in the Far East are (a) internal conditions of China; (b) the basic policy aims of Soviet Russia in that area; (c) the relations between Soviet Russia and China; (d) the post-war policies of Great Britain in the Far East; (e) the relations between Great Britain and China and Japan; and (f) Japan’s post-war position in the Far East and the relations between Japan and other Asiatic peoples. The developments in China which have been outlined here most briefly will have a profound effect on all of these problems. The type of nationalism which develops in China can, it is believed, be markedly affected by the policies and programs of this Government.

It is hardly to be expected that the tide of growing nationalism among the Chinese, or for that matter among all Asiatics and many colored peoples, can be dissipated. Rather than to attempt to destroy the feeling of nationalism, it would seem to be more desirable to attempt to direct it into healthy channels and to avoid the spread of mutual suspicion and misunderstanding and blind faith in preclusive nationalism.
It is not believed that these developments, which in large part have the character of manifestations of an evolving trend of national development, call for specific action at this moment and no recommendation for action is submitted. It is believed to be highly important, however, that we should all be aware of this trend in the present Government of China in order that problems which arise from time to time may be viewed in their proper perspective.

These developments are most important for the long-swing post-war world, and in view of the close interest which the President has in China and in the Far East, it is believed that you may wish at an opportune moment to discuss these developments with the President, not with a view to suggesting any immediate action but merely for the purpose of informing him of the evolving situation and potentialities in China.

J[OSEPH] W. B[ALLANTINE]

The Chargé in China (Atoheson) to the Secretary of State

No. 1541 CHUNGKING, September 4, 1943.

[Received October 1.]

SIR: Referring to the Embassy's telegram No. 1483, August 16, 5 p.m. in regard to conditions in Communist-controlled areas in north China, there is enclosed a copy of despatch No. 45 of August 16, 1943, from the Secretary on detail at Sian which served as the basis for the telegram under reference.

Mr. Drumright describes in his despatch a conversation with Mr. Gustav Soderbom, a Swedish subject who has long resided in Inner Mongolia and Peiping and who arrived at Sian in early August after a month's residence at Yenan en route from Peiping to Chungking.

According to Mr. Soderbom, the Chinese Communists control large areas in Hopei and Shansi provinces although they are not active militarily because of a lack of matériel. Their chief source of arms at present is the Japanese-occupied areas where military supplies are purchased from Chinese gun-runners and smuggled into Communist areas. Capture of military equipment from Japanese and Chinese puppet forces, the former source of most of the equipment of the Communist troops, has become increasingly difficult due to lack of military operations as the Japanese are not active in combatting guerrilla operations. The Japanese make only occasional forays into the interior either to seize grain and other loot or to disperse guerrilla

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concentrations endangering Japanese positions or communications. Communist troops are relatively well fed and clothed and their spirit is excellent. They appear to be on good terms with the people, taxation and labor conscription being carried out in such an equitable manner that little resentment is created among the populace. Proceeds from the sale of opium grown in Communist areas in Shansi are used to bolster Communist revenues, to support the Communist-issued currency and to purchase commodities in the Japanese-occupied areas. Most of the opium appears to be sold or bartered in enemy-controlled areas.

Mr. Soderbom found the atmosphere at Yenan in early July tense due to reports of Chungking troop concentrations in areas surrounding Communist territory. General Chu Teh, commander of the Communist armies, and General Chou En-lai, Communist Party representative at Chungking who arrived at Yenan on July 15, informed Mr. Soderbom that the Chinese Communist Party would not dissolve and that the Communists would resist any Chungking military attack against them. Speeches by Communist leaders at a mass meeting of 8,000 people at Yenan on July 9, at which Mr. Soderbom was present, were characterized by criticism and defiance of and antagonism toward the Central Government and its policies.

The description given by this eye-witness of conditions in the Communist areas and of the atmosphere prevailing there appears to give further support to the feeling that the Communists will not willingly give up their government and army and that they are prepared to resist with force any armed attack against them by the Central Government. This readiness to resist Chungking also bears out at least partially the contention of the Communists that this was one of the compelling factors which has brought about a lessening of the tension between the Communists and the Central Government (Embassy’s telegram No. 1325, July 28, 6 p. m.).

At the height of the tension between the Communists and the Kuomintang there appeared in the Chinese press in various cities in Free China demands, evidently Kuomintang-inspired, by cultural bodies and other organizations for the dissolution of the Chinese Communist Party (Embassy’s telegrams No. 1240, July 21, 9 a.m. and No. 1489 of August 17 41). Many of these articles referred to the dissension created in the Communist Party by the dissolution of the Comintern.

The publication of these articles has ceased within the past two weeks. According to one report, General Pai Chung-hsi brought about the cessation of such articles by informing General Chiang Kai-shek that they were creating an unfavorable impression both in China and abroad. It may also be that the Kuomintang found that this so-

41 Latter not printed.
called popular demand for the dissolution of the Communist Party did not achieve the expected results. It is interesting to note that this press campaign is similar to that employed at the time of the disbandment of the New Fourth Army (Communist) in 1941.

Respectfully yours,

GEORGE ATCHESON, JR.

[In a memorandum dated October 30, Troy L. Perkins of the Division of Far Eastern Affairs stated: “Mr. Soderbom’s report tends to support the conclusions reached by other foreigners who have recently travelled through the Communist area: The Communists are not active militarily because of a lack of arms; they appear to be on good terms with the people, taxation and labor conscription being carried out in an equitable manner; the opium poppy is grown in Shansi to bolster guerrilla finances; and the Communists show no signs of acquiescing to Central Government threats or intimidation.” (893.00/15184)]

893.032/23: Telegram

The Chargé in China (Atcheson) to the Secretary of State

CHUNGKING, September 7, 1943—3 p.m.

[Received 8:30 p.m.]

1648. The C.E.C. plenary session opened September 6 with Chiang Kai-shek presiding. In his opening address Chiang spoke of confidence in victory, but requested that the session concentrate on the question of postwar reconstruction.

Informed Chinese now seem generally of opinion that question of a new President will be resolved by Chiang's continuing [in] the post of Acting President.

ATCHESON

893.001/184: Telegram

The Chargé in China (Atcheson) to the Secretary of State

CHUNGKING, September 9, 1943—noon.

[Received September 10—9:32 a.m.]

1664. Embassy's 1648, September 7th.

1. From what we have been told by a number of competent sources the principal program of the present C.E.C. session appears to be taking shape along lines as follows:
(a) Chiang Kai-shek will assume the Presidency and that office will be given actual and extensive powers, thus legalizing the personal powers which Chiang now exercises. For example, the President is to be Commander in Chief of the armed forces (as Chiang actually now is); is to select and appoint his own government, including the presidents of the Yuan, Government Ministers (a power which Chiang now exercises within the limits of the necessity of maintaining balance between cliques, et cetera); is to have powers of veto; is to hold tenure of office for 5 years, may serve 3 terms and may hold other posts concurrently. These changes are said to have been devised by the Cheng Hsueh Hsi (Political Science Group) to reduce the influence of the group which is reportedly looked upon with disfavor by Mme. Chiang since her return because of criticism she heard in the United States of the Fascist trend of the latter’s policies. While the purpose of the change is thus in part to meet American criticism that the Chinese Government is undemocratic it seems clear that the proposed powers to be given Chiang will actually constitute a legalized dictatorship.

Reportedly, some of the changes are not to be announced by the C.E.C. but in order to give them the appearance of popular support will be made the subject of resolutions to be passed by the P.P.C. scheduled to meet September 15.

(b) Other changes under consideration but not as yet definitely determined upon as the above are said to include establishment of a Cabinet with a Prime Minister and appointment of H. H. Kung to that post.

(c) The Communists will be offered acceptance into the Chinese political family as a legalized minority party provided they give up their armies and border governments and if as is expected they do not acquiesce in this almost complete sacrifice of their present power they will be publicly branded as bandits and rebels in the hope that the United States and rest of the world will so regard them. In support of the Government’s position an extensive campaign is to be undertaken to publicize the alleged crimes of the Communists (recent articles and reports in the Chinese press indicate that this campaign already [is] under way).

2. There is now in Chungking a large number of provincial chairmen and high military commanders, including chairmen of Sinkiang and Yunnan. The probable primary reason for their presence is to give an appearance of support and unanimity to the elevation of the Generalissimo to the new post of “President with Power.” Inclusion of practically all of the anti-Communist commanders may indicate that possible measures against the Communists in case of contingency will be a principal topic for military discussion. There will probably also be discussions regarding policy in the border regions and in dealing with agrarian disturbances.

Atcheson
The Chargé in China (Atcheson) to the Secretary of State

No. 1563

CHUNGKING, September 10, 1943.

[Received October 9.]

Sir: There is enclosed a copy of a memorandum dated September 2, 1943, submitted by Mr. John S. Service, Second Secretary of Embassy attached to the staff of General Stilwell, reporting statements made by General Teng Pao-shan, Commander of the Central Government’s 22nd Group Army with headquarters at Yulin, Shensi, to General Stilwell regarding Kuomintang-Communist relations.

Summary of memorandum. The recent tension between the Central Government forces and Communist troops in the Shensi border areas was due to a misunderstanding, the Chungking troops sent to that area being merely replacements instead of reinforcements as feared by the Communists. With respect to the war against Japan, the situation is fundamentally bad as no effective military action can be taken against the Japanese either in north China or in Inner Mongolia by either faction until military cooperation is achieved. The people in the Communist areas have benefitted by the democratic reforms instituted there and the improved conditions of government. Their morale and that of the Communist troops is good. Because of the strategic importance of north China, it would be desirable for the United States to have American military observers in that area in order to obtain more complete over-all information regarding the Japanese and to bring about needed military cooperation between the Kuomintang and the Communists, with the possible result of causing the Central Government forces to give attention to military matters rather than to political ones as is true at present. End of summary.

With regard to the question of military cooperation, General Teng admits that the present state of virtual immobilization of the forces of both the Communist and the Central Government troops in the border areas has created a fundamentally unsound situation and that, while complete reconciliation between the two factions appears at present to be unattainable, limited cooperation in the military sphere alone might be possible if the Kuomintang can be made to realize the importance of united military action against the Japanese.

General Teng explains that the stationing of American military observers in north China, both in the Communist and in adjacent areas, would also indicate to the Central Government the importance the United States attaches to the north China front, and he is of the opinion that their presence might not only result in causing Central Government forces to devote themselves to military rather than political matters but might at the same time provide assurance to the

*Not printed.*
Communists that their forces engaged in fighting the Japanese would not be stabbed in the back by the Central Government troops.

With reference to the possibility of a settlement of Kuomintang-Communist differences, General Teng expresses the opinion that the Communists are willing to accept Kuomintang terms in principle but that they are not convinced of Kuomintang sincerity in regard to the safeguarding of the democratic and governmental gains affected by the Communists in their areas and in the maintenance intact of the experienced and effective Communist guerrilla troops if placed under Kuomintang commanders. He has urged General Chiang Kai-shek, who, he states, desires to preserve peace between the two factions, to send impartial observers to the Communist areas who can give a fair report of conditions there.

Mr. Service states in the memorandum that the emphasis given by General Teng to the desirability of stationing American military observers in north China appears to indicate that it was this subject which was the primary purpose for his interview with General Stillwell, the call having been arranged on General Teng's initiative. (It is interesting that this suggestion that American military observers be stationed in north China has previously come from Communist sources (Embassy's telegram No. 654, May 6, 10 a.m.) and that this is the first occasion, so far as the Embassy is aware, on which Central Government military authorities have recommended such action.)

General Teng is described to the Embassy by Kuomintang critics at Chungking as being of liberal tendencies and as sympathetic toward the Communists. It is unlikely, however, that he is altogether viewed in that light by the Kuomintang in as much as he is entrusted with the leadership of Chungking forces which form the northern side of the blockade maintained around the Communist areas in Shensi and Kansu. Communist sources at Chungking state that General Teng is dependent chiefly on the Communist areas for food supplies for his troops, which may account in part for his more sympathetic attitude toward the Communists. It is also said that he has been summoned to Chungking to report on conditions in Suiyuan where there have been disturbances among the Mongols and that he may be named Chairman of the Kansu Provincial Government to succeed the present Chairman, Ku Cheng-lun, who has aroused much opposition among the Kansu population and who has not been successful in controlling the peasant uprisings in that province. General Teng is a native of Kansu, was formerly Military Governor of that province and would be expected to be more acceptable to the Kansu leaders.

Respectfully yours,

George Atcheson, Jr.
The Chargé in China (Atcheson) to the Secretary of State

CHUNGKING, September 12, 1943—11 a. m.

[Received 5:35 p. m.]

1692. General Chiang’s address at September 6 opening of CEC meeting, in which postwar, economic, and political reconstruction are the principal subjects and receive the greatest emphasis, has now been published in full translation by Central News Agency. Following are condensed excerpts:

“Now that final victory is drawing near we at this present plenary session should discuss thoroughly how to build a new, prosperous and strong China. We should center our discussion of the problem of national reconstruction and work out program which may be enforced immediately after the war. Failure in national reconstruction will reduce to naught our victory. This plenary session should deliberate carefully on military, party, political and economic developments and reconstruction based on the Three People’s Principles and make decisions for postwar work.

Judging from the latest military situation, especially developments in the Pacific, our final victory will come within one year at the earliest, or after one year at the latest. But no matter whether the war is terminated within one year or after one year, it will not be difficult for us to pull through this. If during the period we do not redouble our efforts to make progress in various fields of work, particularly military, political and economic and make adequate preparations for postwar reconstruction, we shall still fail, when (if) we should have won the war. It is therefore imperative that we redouble our efforts for increasing our power of resistance and simultaneously make preparations for national reconstruction. This is the most important duty of the present plenary session.

The task of national reconstruction is manifold. But the most important phase is political reconstruction the foundation of which is enforcement of constitutional government. This plenary session should therefore resolve on the problems of the constitution of the National People’s Assembly and the formulation and promulgation of the constitution in accordance with China’s circumstantial requirements.

Secondly, after enforcement of constitutional government, our party should be on equal legal footing with other ordinary parties and the common citizens, and should enjoy equal privileges and rights, fulfill equal obligations and receive equal treatment from the State under the principles of the freedom of assembly organization, speech and publication in accordance with law. But as our party program is national revolution and reconstruction, both historically and morally, it has the responsibility of consolidating the foundation of the State and ensuring the enforcement of our principles. Though our party will be on equal footing with any other party, it will have greater responsibilities as it has a historical revolutionary mission.
Though our economic difficulties are increasing, our economic crisis is already over. Our economic outlook today merits optimism. First, a bounteous harvest through the country has been reaped during the current year. There is no fear of shortage of army and civilian food. Secondly, with a view of helping China overcome her wartime economic difficulties, the United States last year decided to earmark U.S. dollars 200 million of her U.S. dollars 500 million loan to China to be used for combating inflation, upholding currency, increasing production and stabilizing prices. Consequently, continued worrying over inflation is unwarranted. Our economic situation is by no means without difficulties, but there is absolutely no danger to speak of.

There will be no more serious economic crisis in the coming 2 years of continued resistance, and right now we have to begin preparing for postwar reconstruction and the carrying out of Doctor Sun Yat-sen’s industrial program, which requires us to set before us two major goals: the industrialization of China and the improvement of [the] people’s livelihood. We shall need foreign investment and technical assistance to consummate our gigantic program of reconstruction. It is therefore desirable that some decision should be reached at the present meeting with regard to foreign trade, international economic cooperation and other related problems.”

Atcheson

893.01/960: Telegram

The Chargé in China (Atcheson) to the Secretary of State

CHUNGKING, September 12, 1943—1 p. m.

[Received 3:52 p. m.]

1693. Chiang’s address (Embassy’s 1692, September 12) is noteworthy for its lack of any direct reference to or emphasis upon need of increasing China’s war effort and indeed its almost complete lack of mention of war against Japan; for its heavy emphasis on national reconstruction as the principal problem facing China; for its unreal and almost fantastic optimism in regard to economic situation; and for its failure to make any reference to Communist problem.

Chiang’s reference to constitutional government and democratic rights carries with it significant qualifications. He refers to the “promulgation of Constitution in accordance with China’s circumstantial requirements.” He also states that after the promulgation of constitutional government the Kmt should have equal status with other parties under the “principles of the freedom of assembly, organization, speech and publication in accordance with law”. (It is understood that session has decided that “constitutional government” will be “enforced” 1 year after termination of war.)
Chiang is understood to have strongly denounced the Communists during one session of CEC.

ATCHESON

893.00/15132: Telegram

The Chargé in China (Atcheson) to the Secretary of State

CHUNGKING, September 12, 1943.
[Received September 26—3:45 p.m.]

1694. As reported by Central News Agency, following are revised articles of the organic law of the National Government adopted by CEC September 10:

"Article VIII—The National Government shall have under the following 5 Yuan to exercise respectively the 5 political powers of administration, legislation, judicial, examination and control: (1) the Executive Yuan, (2) the Legislative Yuan, (3) the Judicial Yuan, (4) the Examination Yuan, (5) the Control Yuan. Each of the aforementioned Yuan may, according to law, issue orders.

Article IX—The National Government should have a President and from 25 to 37 councilors who shall be selected and appointed by the Central Executive Committee of the Kuomintang of China.

Article XI—The President of the National Government shall be the head of the Republic of China and shall represent the Republic of China in foreign relations.

Article XII—The President of the National Government shall be the Commander-in-Chief of the land, naval and air forces.

Article XIII—The President of the National Government shall hold office for the 8 years and he may be reappointed, provided, however, that after the enforcement of a permanent constitution and upon the inauguration of the President (Tsung Tung) elected he shall be relieved of his office. The state councilors of National Government shall hold office for the same duration. In case the President of the National Government is incapacitated by any cause, the President of the Executive Yuan shall act on his behalf.

Article XIV—All laws promulgated and all mandates issued by the National Government shall be signed by the President of the National Government accordance to law. Such laws promulgated and mandates issued shall be countersigned by the President or President of the Yuan concerned.

Article XV—The Presidents and Vice Presidents of the five Yuan of the National Government shall be selected and appointed by the Central Executive Committee of the Kuomintang of China from among the state councilors [upon?] recommendation by the President of the National Government. The President of the National Government shall be responsible to the Central Executive Committee of the Kuomintang of China and the Presidents of the five Yuan be responsible to the President of the National Government."

ATCHESON
1695. During a private conversation Wu Teh-chen, Secretary General of CEC, who has been very friendly, asked me what our people at home thought of China's internal problems. I said there was considerable concern over the continuingly deteriorating economic situation notwithstanding American efforts to be of assistance through credits, stabilization loans and now through supply of gold for free sale and that some quarters wondered why Chinese Government could not control important factors such as hoarding to keep down food costs which were adversely affecting China's soldiers as well as others. I said there was concern over apparent lack of interest in various Chinese quarters in increasing and making more effective China's war effort; there was concern over the Kuomintang-Communist differences, over the numerous and apparently increasing Fascist trends (some of which I described) and consequent weakening of practical democracy. I mentioned the increasing restrictions on travel by an increasing surveillance of foreigners.

Wu passed over the economic questions, said CEC meeting with its contingent gathering of military leaders had been giving discussion to military situation and inquired as to our attitude toward the Communist situation. I replied that it has always been one of the fundamentals of American policy in Far East that there should be a strong united China; that we accordingly viewed with concern any serious dissension among Chinese people which might militate against establishment and maintenance of a strong unified China especially now as the present differences weakened China's war effort by causing the immobilization in northwest of large numbers of some of China's best troops who might better be in Yunnan or on some active front and that the result was that neither these Government troops nor Communist troops being blockaded by them were fighting the Japs.

Wu replied readily that this was so and that it was most unfortunate that the situation kept some 20 divisions of good troops including mechanized troops from actively fighting the Japs and he launched into a defense of Government's "necessary" position vis-à-vis the Communists, emphasizing the valid contention that no national government could tolerate the maintenance by one group of a separate and independent government and army of its own. He said CEC was planning to "appeal" to Communists to keep their 1937 promises in hope of resolving the question.
He passed over Fascist question with statement that some things were necessary in wartime but China would never become Fascist as the people were fundamentally democratic.

I then told him of surveillance and passport difficulties encountered by Americans at Lanchow, of our recent difficulties in getting a visa for Sprouse to make a courier trip there, of the experience of Rice who before proceeding to his new post at Lanchow had requested usual provincial visas but could obtain a visa for travel only to Lanchow. I said we had hoped that with abolition of extraterritoriality such travel restrictions would be lifted rather than increased and that American officials and other nationals would be accorded in China same generous facilities and treatment accorded Chinese officials and citizens in the United States. Wu said that most certainly this situation should be rectified, that he was very glad I had told him of this and that he would see if he could not do something about it.

He added that he hoped we would talk together much more frequently in future and invited me to come to him at any time.

Atcheson

893.01/061 : Telegram

The Chargé in China (Atcheson) to the Secretary of State

CHUNGKING, September 14, 1943.
[Received September 14—3:30 p.m.]

1706. Central News Agency September 12 reports passage by Central Executive Committee of resolution according to which National Government will convene National Congress within 1 year after conclusion of war in order to have constitution adopted and promulgated, National Congress to decide upon date when constitution is to come into effect.

Text of pertinent portion of resolution is as follows:

“(1) The party and government organs of the whole country, with the exception of the provinces in the rear which should intensify the work of promoting local self government by taking advantage of the ground work already done, shall hereafter, as the lost territories are one after another recovered from the enemy, take active steps to help the people of the liberated areas to complete the establishment of local self government and the organization of professional bodies as soon as possible in order to lay a firm foundation for constitutional government, and this shall be regarded as the most important work in demobilization and national reconstruction;

*Philip D. Sprouse, Third Secretary of Embassy in China.

*Edward B. Rice, Second Secretary of Embassy in China.
(2) within one year after the conclusion of the war the National Government shall convene the National Congress so as to have a constitution adopted and promulgated, and the National Congress shall decide upon the date when the constitution is to come into force;

(3) those who have already become delegates to the National Congress in accordance with law, with the exception of those who have become disqualified owing to acts of high treason, death or other causes, shall retain their status of delegates; those electoral areas and professional bodies which either did not complete their election or were unable to hold the election shall elect their delegates in accordance with law and the election shall be completed at the latest 3 months before the convocation of the National Congress;

(4) the preparations for the convocation of the National Congress and the establishment of constitutional government shall be undertaken by the authorities concerned under the direction of the National Government."

Atcheson

893.01/962: Telegram

The Chargé in China (Atcheson) to the Secretary of State

CHUNGKING, September 14, 1943—4 p.m.
[Received 4:20 p.m.]

1708. We offer comment on the revision of the organic law of the National Government (Embassy's 1694, September 12) as it pertains to Chiang Kai-shek who was elected President by the CEC September 13 as follows:

1. The President is to be head of the Republic although the former Chairman (or President) of the National Government was not so designated or considered.

2. The President is empowered to represent China in foreign relations, thus legalizing power already in Chiang's hands.

3. The naming of the President as Commander in Chief of the Armed Forces gives legal backing to and ensures the continuation of the actual position already held by Chiang as Chairman of the National Military Council.

4. The requirement that the President sign all laws promulgated and all mandates issued by the National Government represents a further concentration of authority in Chiang's hands and precludes enactment of legislation contrary to his wishes.

5. The question of the limitation of the term of office of the President is academic as Chiang is not likely to have any rival for the position.

6. The President is given full power over the heads of the five Yuan as they are responsible to him and are to be selected by the CEC from state councilors named by him, thus making the executive, legislative
and judicial branches of the Government definitely subordinate to the head of the Government who is responsible only to the CEC of which Chiang [was] reelected Chairman. In addition he was reelected President of the Executive Yuan.

The effect of the revision is to legalize concentration of power in one man. By virtue of his various offices and personal power, Chiang has actually been holding practically all the power now being delegated to the Presidency. So far as it is known, Chiang has not resigned from any of his many positions.

The Cheng Hsueh Hsi (Political Science Group) is said to have dominated the CEC session but there are no indications that the CC clique has lost any of its real power secured to it by its efficient organization and administrative control throughout the party.

ATCHESON

893.00/15118: Telegram

The Chargé in China (Atcheson) to the Secretary of State

CHUNGKING, September 14, 1943.

[Received September 15—3:50 p.m.]

1709. Following are excerpts from General Chiang Kai-shek’s instructions to CEC September 13 regarding Communist problem, as reported by Central News Agency:

“First of all, we should clearly recognize that the Chinese Communist problem is a purely political problem and should be solved by political means.

If you share my view, we should maintain the policy of leniency and forbearance which we have consistently pursued in dealing with our domestic affairs with the expectation that the Chinese Communist Party will be moved by our sincerity and magnanimity, no matter in what ways they may slander us, or in what manner they may try to create troubles.

In spite of provocations we should abide by the manifesto of the Tenth Plenary Session: ‘In the case of those who sincerely believe in the Three People’s Principles, obey laws and orders, do not hinder prosecution of the war, do not attempt to upset social order, and do not seize our national territory in defiance of government decrees, the Central Government would overlook their past record either in thought or in deed, and should respect their opportunity, be they as individuals or as political groups, to serve the country.’

We should make it clear that the Central Government does not have any particular demand to make on the Chinese Communist Party but hopes that it will abandon its policy of forcefully occupying our national territory and give up its past tactics of assaulting national government troops in various sectors; thus obstructing the prosecution of the war.
We also hope that the Chinese Communist Party will redeem its pledge made in its declaration of 1937 and fulfill the four promises solemnly announced in that document.”

Atcheson

893.00/15120 : Telegram

The Chargé in China (Atcheson) to the Secretary of State

CHUNGKING, September 15, 1943—10 a.m.
[Received 1:05 p.m.]

1712. Liberal-minded critics of the Party point out that the CEC resolution regarding future establishment of constitutional government, together with the Standing Committee’s report on which it was based, constitutes chiefly an apologia for the continued deferment of such action by the Kuomintang and is completely defensive in tone, seeking to blame its own failure on Japanese aggression; that while the resolution provides for the convening of the National Congress within 1 year after the war, it requires that those electoral areas and groups which did not hold or complete elections shall elect delegates in accordance with the law, the election to be completed 3 months before the convocation of the Congress; and that if it was not possible to complete the election of delegates in peace time in more than 1½ years it would not seem likely that under early post-war conditions the election can be completed in 9 months.

Adoption of this resolution, which had been anticipated, has not materially increased the hopes of critics of the Kuomintang, who feel that the manner of selection of delegates will be determined by the Party with resultant complete control over the Congress. These critics believe that resolution is chiefly a result of Kuomintang reaction to American criticism of lack of democracy in China (both in the press and to Madame Chiang during her American visit). The resolution is, however, a step forward and may eventually result in making democracy possible even though the Kuomintang now has little if any intention of putting democratic principles into practical effect.

Atcheson

893.00/15121 : Telegram

The Chargé in China (Atcheson) to the Secretary of State

CHUNGKING, September 15, 1943—4 p.m.
[Received 5:48 p.m.]

1722. The press campaign against the Communists mentioned in our 1644, September 9, appears to be progressing. The Central News

Agency here published September 7, a report from the Shantung Provincial Government charging Communist troops with making unprovoked attacks on Central Government forces in Shantung province during July and August. Kuomintang local Chinese daily September 12 published report from Central News Agency, New York, that American papers have given great prominence to and American people have criticized attack.

Communists here say troops attacked were former Chungking forces which deserted to Japanese July 4. Communists also charge Chungking with encouraging such defections which (1) solve food and supply problem for the troops defecting, (2) provide opposition to Communists in occupied areas and (3) ensure presence of Chungking forces there when Japanese withdraw. We are reliably informed that Central Government is greatly concerned over extension of Communist control in North China.

Atcheson

863.001 Chiang Kai-shek/1

The Chinese Ambassador (Wei) to the Secretary of State

WASHINGTON, September 15, 1943.

Sir: I have the honor to inform you that the Central Executive Committee of the Kuomintang at a session on September 13, 1943, unanimously elected Generalissimo Chiang Kai Shek to be the Chairman of the National Government of the Republic of China. The date of his formal assumption of office will be announced later.

Accept [etc.]

Wei Tao-Ming

740.0011 Pacific War/3441: Telegram

The Chargé in China (Atcheson) to the Secretary of State

CHUNGKING, September 16, 1943.
[Received September 16—9:30 a.m.]

1727. Emphasis on continued resistance against Japan was made in the final manifesto of the CEC session at closing meeting on September 13 and was included among three most urgent tasks laid down for the party and people, as reported by Central News Agency, as follows:

(1) China must increase power of resistance in order to win final victory, as only by unification of spirit and will and mobilization of all manpower and resources for the national cause can China effect military coordination with Allies and fulfill its mission in decisive war;

(2) China must promote democracy in order to fulfill the mission of national reconstruction.

*On October 6 Ambassador Wei gave the time as October 10 at 9 a.m.*
(3) China must realize Sun Yat-sen’s industrial program in order to improve people’s livelihood.

**Atcheson**

893.00/15124 : Telegram

_The Chargé in China (Atcheson) to the Secretary of State_

CHUNGKING, September 17, 1943—noon.

[Received 11:09 p.m.]

1741. 1. A usually well informed and reliable Chinese source has commented to us on the recently concluded CEC session as follows:

a. From the beginning of the session on September 6 until the 10th feeling against the Communists ran high, Kuomintang die-hards demanding their liquidation by armed force. Successful counter-influences included (1) a telegram from T. V. Soong (which became generally known among the delegates) emphasizing the adverse effect in the United States of civil war in China and (2) advice to Chiang Kai-shek by Chang Chun who pointed out that the Szechuan militarists Teng Hsi-hou, Lui Wen-hui and Pan Wen-hua had not accepted invitation to attend the session and that in the event of civil war their forces would lie astride the line of communications between Chungking and the Communist areas, thus giving them opportunity to capitalize on their opposition to the Central Government. Fu Tso-yi and Ma Hung-kuei, chairmen of the Suiyuan and Ninghsia Provincial Governments respectively, also opposed military action.

b. The session revealed China’s dependence upon the United States: (1) need for financial assistance to which Chiang referred in his speech describing the uses to which part of the American credits to be put; (2) need for military equipment under Lend-Lease; (3) dependence upon the United States to defeat Japan.

c. The election of Chiang as President now makes him more independent of the CC clique and his power to make decisions without reference to others long exercised in some degree is thus reinforced.

2. The informant’s description of the anti-Communist feeling prevailing at the CEC sessions corroborated by a statement made on September 10 by another well-informed reliable Chinese who spoke of the “war spirit” of the CEC and expressed fear that a manifesto might be issued tantamount to a virtual declaration of war against the Communists.

3. We feel that the informant’s comments offer additional evidence both of the extent to which the United States is in a position to influence Chinese Government policy and of the Kuomintang’s intention to liquidate the Communists if and when direct action can be taken without too adverse an effect upon China’s international relations and the party’s internal position.

**Atcheson**
The Chargé in China (Atcheson) to the Secretary of State

[Extract]

No. 1594

Chungking, September 18, 1943.

[Received October 14.]

Sir: Referring to the Embassy’s despatch No. 1458 of August 13, 1943,67 in regard to the Federation of Chinese Democratic Parties, I have the honor to enclose a copy of despatch No. 41 of September 2, 1943, from the Consul at Kwelin68 describing the political platform of the Federation.

Summary. The Federation, which was organized in Hong Kong late in 1941, is said to include the following minority groups: (1) China Youth Party; (2) National Socialist Party; (3) Rural Rehabilitation Group; and (4) National Vocational Education Society. It is not believed to command a large following, its influence being exerted through the speeches and writings of its leaders and the prestige of those leaders. The Kuomintang is not expected to permit the Federation or any other minority groups in China to attain an effective voice in the conduct of the Government.

Representatives of the Federation feel, however, that the rapid deterioration of the military, economic and political situation in free China will make it impossible for the present right-wing Kuomintang-dominated Government at Chungking to continue indefinitely in power and that when the crisis comes they wish to have at hand a political platform based on democratic principles which will be acceptable to Kuomintang moderates, Communists, groups within the Federation and non-party Chinese. The political program proposed by the Federation is as follows: (1) In order to establish an actual united front against Japan, a “Council of National Affairs”, as the supreme political organ for the national government, should be established immediately, from which is to be created a “Government of National Defense”. The Council should be composed of 100 members, 40 of them Kuomintang, 20 Communist, 20 Federation and 20 non-party members. (2) The armed forces should be nationalized and freed from party politics. (3) All local and subordinate political administrations should be organized on a simple and rational basis. (4) The intellectuals should first be mobilized in order to effect mobilization of the people in general. (5) Local democratic organizations should be established in order to educate the people in democratic principles of self-government. End of summary.

Respectfully yours,

George Atcheson, Jr.

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67 Not printed; but see despatch No. 24, July 31, from the Consul at Kwelin, p. 208.
68 Not printed.
The Ambassador in China (Gauss) to the Secretary of State

No. 1610 CHUNGKING, September 23, 1943.
[Received October 14.]

Sir: I have the honor to enclose a copy of despatch No. 53, August 28, 1943 from the Embassy officer at Sian in regard to Russian military advisers in Sian.

There have been numerous rumors current in recent weeks in regard to the status of the various Russian military advisers in free China (not including Sinkiang—Embassy’s despatch No. 1272, June 19, 1943 \(\text{\textsuperscript{49}}\)). The consensus of reliable opinion, which is confirmed in part by the Soviet Embassy here, is to the effect that although some of the advisers have recently returned to Russia they have been replaced by new arrivals, but that within the past two or three months all advisers assigned to troops in the field have been transferred to military schools or other institutions where their functions and activities are relatively restricted and unimportant.

Respectfully yours,

C. E. GAUSS

[Enclosure]

The Second Secretary of Embassy in China (Drumwright) to the Chargé in China (Atcheson)

No. 53 SIAN, August 28, 1943.

Sir: As of possible interest to the Embassy, I have the honor to report the presence in Sian of eight Soviet Union military advisors. According to an official of the “Foreign Affairs Section” of the Bureau of Police, whose function it is to keep a constant check on the movements of foreigners residing in or passing through Sian, these gentlemen are attached to General Hu Tsung-nan’s 34th Group Army in Sian. They reside in a hostel maintained by the Chinese authorities.

According to foreign missionaries with whom the subject has been discussed, there have been Russian military advisors at Sian for the past four or more years. These informants have the impression that the personnel is changed about once a year, the advisors in residence returning to the Soviet Union to be replaced by new arrivals. A missionary informant who resided adjacent to the hostel where these advisors were housed for more than two years asserts that they gave the impression of being idle most of the time, seldom leaving their habitation other than to obtain exercise. He states that although he made numerous advances he was unable to strike up an acquaintance-

\(\text{\textsuperscript{49}}\) Not printed, but see footnote 80, p. 249.
ship with any of them; on one occasion his tender of Bible literature in the Russian language was summarily rejected. Following this incident, according to my informant, the Chinese manager of the hostel made inquiry as to what he was trying to present to the Russians and the motive therefor.

It is the consensus of local foreign missionaries that the Russian advisors are very closely watched by the Chinese authorities, that their presence in Sian is viewed with suspicion, and that their functions are nominal only.

Respectfully yours,

EVERETT F. DRUMRIGHT

893.01/963

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

No. 1611

CHUNGKING, September 23, 1943.
[Received October 14.]

Sir: I have the honor to refer to the Embassy’s despatches nos. 999, March 15, 1943; 1079, April 14, 1943, and 1273, June 19, 1943, in regard to increased Central Government control in Yunnan, and to enclose a memorandum containing further information submitted by the Consul at Kunming under date of September 4, 1943.

Summary: The Central Government’s hold on Yunnan is now virtually complete. The only important area of the province still under effective Provincial Government control is along the Indochina border west of the Yunnan–Indochina Railway. The power of Y. T. Miao and Lu Ch’ung-jen, two important political figures of Yunnan, has declined in recent months, especially since the appointment in March, 1943, of General Ch’en Ch’eng as commander-in-chief of the Chinese Expeditionary Force in Yunnan.

Respectfully yours,

C. E. GAUSS

893.00/15131: Telegram

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

CHUNGKING, September 25, 1943—2 p. m.
[Received September 26—12:44 a. m.]

1804. The Third People’s Political Council opened September 18 with 193 of 240 delegates in attendance. Although local press announced that members of Communist Party and of all other political parties were present, actually only 5 representatives of minority

50 Not printed.
51 Despatch No. 1273 not printed.
parties attended (1 Communist, 1 National Socialist and 3 China Youth Party delegates). The Government had endeavored to obtain large minority party delegation but many minority delegates are reported to have refused to attend, some allegedly fearing to come to Chungking because of the secret police and others feeling that the PPC is under complete Kuomintang control. This attitude toward the PPC seems to have developed largely since last year’s session.

On September 21 General Ho Ying-chin during report on military affairs is said to have made bitter attack against the Communists which resulted in the withdrawal of the single Communist delegate from the meeting. The only publicity given to this incident was a report in the local Communist daily that the Communist delegate withdrew from the PPC after his report and would not again attend.

The PPC meetings, coming so soon after the CEC session, have been somewhat anti-climactic and are expected to do little more than echo what has been resolved by the CEC. Neutral observers believe that the PPC will emphasize the advent of constitutional government after the war. Wang Chung-hui and Wang Shih-chieh have been elected members of the PPC Presidium, apparently with a view to increasing the prestige of the Council, while Chiang Kai-shek has resigned from the Presidium presumably because of his election to the Presidency of the National Government.

We will expect to report further by despatch 52 at the close of the PPC session.

GAUSS

893.00/15141

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

No. 1637

CHUNGKING, September 29, 1943.

[Received October 14.]

Sir: I have the honor to enclose a copy of despatches No. 127 of August 19 and No. 140 of August 30, 1943, from the Secretary on detail at Chengtu 53 in regard to a revolt of peasants during July 1943 in the vicinity of Suifu, Szechuan, against Central Government troops.

Summary. Foreign observers report unusual air activity, concentration of Central Government troops in the Suifu area and the withdrawal of small units of Szechuan provincial troops from that area prior to the outbreak of actual disturbances between the peasants and the Central Government troops in the Suifu area on July 16. It was not until July 27 that the troops were able to quell the revolt.

52 Despatch No. 1676, October 14, not printed; it reported appointment of Shao Li-tzu, former Chinese Ambassador in the Soviet Union, as Secretary General of the People’s Political Council.
53 Neither printed.
which was perhaps aided by provincial troops of General Liu Wen-hui, Chairman of the Sikang Provincial Government and one of the leaders of the Szechuan military group. The revolt is described as having been directed against the Central Government’s method of conscription and levying of taxes and against thieves by Central Government troops and to have been instigated partially by a local secret society known as the “Big Blade Brigade”. As an aftermath to the trouble, the Central Government troops methodically searched every farmhouse in the area and took away clothing, bedding and valubles and levied contributions of money from the peasants. End of summary.

Although the Central Government apparently crushed this revolt against its authority, this incident offers further indication that the Chungking authorities have no real solution to the problem of peasant revolts save that of force and that reforms directed toward preventing such outbreaks are still not being carried out by the National Government.

Respectfully yours,

C. E. GAUSS

893.00/13153

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

No. 1640

CHUNGKING, September 29, 1943.
[Received October 29.]

Sir: Referring to the Embassy’s telegram No. 1804 of September 25, 2 p.m. in regard to the People’s Political Council, I have the honor to enclose a copy of a memorandum dated September 22, 1943, regarding the withdrawal of the Communist delegate from a meeting of the People’s Political Council, prepared by Second Secretary John S. Service of this Embassy who is detailed to General Stillwell’s staff. The memorandum is based upon information obtained from Communist sources.

Summary of Memorandum. During a secret session of the People’s Political Council on September 21, General Ho Ying-chin, Chief of Staff and Minister of War, included in his report on military affairs a bitter tirade against the Chinese Communists, accusing them of (1) attacking Central Government troops, (2) violent propaganda against the Kuomintang and the Central Government and personal attacks against Chiang Kai-shek, (3) planting opium poppy and (4) counterfeiting Central Government banknotes. During interrogation time in accordance with fixed rules, the Communist delegate, Mr. Tung Pi-wu, submitted to General Ho various questions which were in the nature of a refutation of the charges. At the conclusion of the interrogations, three Kuomintang delegates gained the floor and gave support to the charges against the Communists. Mr. Tung thereupon

*4 Memorandum not printed.
requested permission to withdraw from the meeting on the grounds that it had devolved into an attack on him and his party and, following the meeting, addressed a letter to the Presidium giving his reasons for withdrawal and stating that he would not continue to take part in the People’s Political Council (General Ho did not answer the questions). The only publicity given to this incident was that in a report in the local Communist daily to the effect that the Communist delegate had withdrawn from the meeting and would not again attend. Mr. Tung states that, prior to the convening of the present session, Dr. Wang Shih-chieh, Secretary-General of the P.P.C., informed him of his strong desire that he (Tung) attend the P.P.C. session and assured him that the meetings would not be made the occasion for an attack on the Communist Party. *End of summary.*

Communist representatives at Chungking state that the P.P.C. subsequently sent emissaries to persuade Mr. Tung to return to the meetings but that the Communist delegate remained adamant in his decision not to participate again in the P.P.C. session.

Respectfully yours,

C. E. GAUSS

761.93/1732: Telegram

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

CHUNGKING, October 5, 1943—noon.

[Received 4:15 p.m.]

1864. An official of Cabinet rank, speaking “very privately”, informs us that recent Soviet withdrawal from Sinkiang has been due to only one reason: almost complete *rapprochement* between the Sinkiang chairman and the Central Government; that, while the change reflects considerable political success on part of Central Government, consequent economic problems are almost insoluble. He states that an arrangement has been made with the Sinkiang chairman whereby the latter continues to issue and use his own currency pegged at 1 to 5 for National currency, but Sinkiang people will not use National currency even at this rate and Sinkiang currency is not acceptable in China outside of the province, making it impossible for Sinkiang inhabitants to purchase from China quantities of tea (regarded as a necessity), sugar and various consumers’ goods including clothing formerly obtained from Russia. He did not deny or affirm report recently current that the Central Government was purchasing at very high prices a large number of trucks to ship tea, sugar, et cetera, into Sinkiang but said Government was endeavoring to supply some of these articles to the province. He said that about one regiment of Soviet troops still remained at Hami and there were still some Soviet airplanes in Sinkiang. (According to Consul, Tihwa, 300 trucks and 8 airplanes at Hami.)

GAUSS
The Ambassador in China (Gauss) to the Secretary of State

No. 1650

CHUNGKING, October 5, 1943.
[Received October 28.]

Sir: I have the honor to enclose a copy of despatch no. 33 of September 3, 1943 from the Consul at Tihwa,55 in regard to the treatment and citizenship status of émigré Russians in Sinkiang Province.

Summary: The citizenship status of émigré Russians in Sinkiang is one of the outstanding problems between the Russian and Sinkiang authorities. Most of the 14,000 Russian émigrés now residing in Sinkiang went there in 1919 and 1920 as part of or accompanying the so-called “White Guard” military forces of Aninkov, Dutov, and one other Russian general. During 1941 a large number were reported to have returned to Russia, perhaps as a result of ill-treatment by the Sinkiang authorities who, since 1930, have inducted some into military service, imprisoned others, and imposed harsh police measures on all.

The Chinese authorities refer to the Russian émigrés as “naturalized persons” and otherwise treat them as if they had no Russian nationality. This circumstance appears to have troubled Soviet consular representatives in Sinkiang who, reflecting the attitude of the Soviet Government in respect to the repatriation of desirable émigrés, appear either to have facilitated or not to have opposed the escape of some from Chinese jurisdiction.

Respectfully yours,

C. E. GAUSS

893.44 Chiang Kai-shek/122

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

[Extracts]

No. 1651

CHUNGKING, October 6, 1943.
[Received October 28.]

Sir: Referring to the Embassy’s despatch No. 1220 of May 31, 1943, in regard to the publication of General Chiang Kai-shek’s book China’s Destiny, I have the honor to enclose 58 (a) a copy of a critical review of the book written by a Chinese Communist and distributed in English translation by Communist Party representatives at Chungking; (b) a brief digest of the review prepared by the Embassy; and (c) a copy of an article entitled “Questioning the Kuomintang,” which is said to have appeared in the Communist daily at Yenan on July 12, 1943, and which was received by the Embassy from Communist sources.

55 Not printed.
58 Enclosures not printed.
Summary. The review of Chiang Kai-shek's book is bitterly critical of the Kuomintang, expresses belief that the author of China's Destiny opposes democracy and states that the viewpoints in the book contradict those of Dr. Sun Yat-sen. The article from the Communist daily at Yenan is equally critical of the Kuomintang and charges many Kuomintang members with being traitors. These articles, together with similar articles by Chinese Communist writers distributed in Chungking, apparently mark the beginning of a Communist campaign to expose Kuomintang shortcomings as a means of meeting the recently inaugurated Kuomintang press propaganda campaign to give publicity to Communist "crimes." Possibilities of any agreement between the two parties are expected to be lessened by the increasing bitterness likely to result from this propaganda war.

End of summary.

It would seem that the Chinese Communist Party is determined to meet the Kuomintang propaganda campaign to expose Communist "crimes" with one intended to give publicity to Kuomintang "crimes." The Communist delegate to the Third People's Political Council has informed an officer of the Embassy that the Chinese Communist Party has been forced to take such action because: (1) at the end of June when General Chou En-lai and General Lin Piao returned to Yenan, the Communist Party had assumed that the Kuomintang intended to reach a political settlement of outstanding questions between the two parties, but the concentration of Central Government troops around the Communist areas during early July convinced the Communists that a military solution was the only one envisaged by the Kuomintang; and (2) the Kuomintang had long called the Communists "traitors" and their armies "traitor armies" and had recently begun a press campaign to discredit the Communists and to make a pretense of strong public opinion for the disbandment of the Communist Border Government and its army. Thus in self defense the Communists, who had never directly attacked the Kuomintang in their propaganda, were now forced to retaliate and expose Kuomintang "crimes."

It may be concluded that, in spite of the ostensibly conciliatory policy adopted by the Kuomintang at the time of the C. E. C. Plenary Session in September, a lessening of tension between the Kuomintang and Communist parties is scarcely to be expected if the propaganda campaigns continue with resultant growing bitterness between the two.16

Respectfully yours,

[Signature]

C. E. GAUSS

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16 In a memorandum dated November 5 Augustus S. Chase of the Division of Far Eastern Affairs made the following comment: "This despatch describes a newly launched Chinese Communist propaganda campaign against the Kuomintang... A surprising feature of the new campaign is the fact that the Communists appear to have been distributing their propaganda openly at Chungking—even using the local mails."
The Secretary of State to the Ambassador in China (Gauss)

WASHINGTON, October 7, 1943—7 p.m.

1435. Please convey the following message from the President to Generalissimo Chiang Kai-shek upon the occasion of his inauguration on October 10 as President of the Republic of China:

"On the occasion of your inauguration as President of the Republic of China, I gladly convey to you my congratulations and best wishes for your success and personal well-being. Your elevation to the highest office in the Government of the Republic of China is recognition of the inestimable service you have rendered the Chinese people in the past and of the services you are to render in the future in leading them to victory, peace and freedom."

HULL

740.0011 Pacific War/3509

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

No. 1655 Chungking, October 7, 1943.
[Received October 28.]

Sir: I have the honor to enclose a memorandum of a conversation with the Polish Ambassador of October 6, 1943, in which the latter and his Military Attaché outlined their interpretation of Soviet Russia's international policies and plans of the past few years and set forth by indirection and implication some argumentation against the setting up by the Allies of a new second front in Europe.

We here in this isolated place are scarcely in a position to suggest whether the Polish Ambassador's and the Polish Military Attaché's remarks have significance per se. They are of interest to us chiefly because of their propaganda nature and, as the Polish Ambassador usually seizes every possible opportunity to spread propaganda in behalf of Poland and against Soviet Russia, it occurs to us that his activities in this connection may be undertaken by direction and that possibly Polish representatives in other places are engaged in similar activities which are anything but in the general interests of the cause of the United Nations.

The Embassy has previously reported how deeply fear and mistrust of Soviet Russia is ingrained in the Chinese official mind and there is no reason to believe that the Polish Ambassador and his Military Attaché are any more restrained in expressing their views to Chinese officials than they were in the conversation under reference. Further poisoning of the Chinese against Soviet Russia (irrespective

**Not printed.**
of what foundation may exist for some of the views expressed) is
definitely detrimental to our general cause in this theatre. There is
plentiful evidence already of the detriment to China's war effort
(which at best has been and continues to be negative) consequent upon
China's suspicion and resentment against Great Britain and Soviet
Russia. We accordingly raise, for consideration, the question whether
it might not be advisable for the British Government to endeavor to
impress upon the Polish Government the desirability that Polish
representatives refrain from activities which tend to vitiate, rather
than give affirmative inspiration to, such inclination as the Chinese
Government may have toward effectively contributing further within
its capacities to the war against Japan. As the Department is aware,
the long-standing difficulties between the Kuomintang and the Chinese
Communists (which in the Chinese mind have more and more become
integrated with Chinese apprehension in regard to possible Soviet
Russian designs upon Manchuria and north China) continue to im-
 mobilize some of the best divisions of the Central Government's armies
and are an important contributing factor in the virtual stalemate
between the main Japanese and Chinese forces which has existed in
this country for over three years.
Respectfully yours,
C. E. GAUSS

740.0011 Pacific War/34036

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

No. 417

WASHINGTON, October 8, 1943.

Sir: The Department has received the Embassy's despatch no. 1430
of August 4, 1943 and considers the despatch an excellent piece of
reporting on the part of Mr. Sprouse, Third Secretary of the Em-
bassy. The information contained in the despatch and its enclosures 60
and Mr. Sprouse's interpretative comment constitute a very useful
contribution toward the Department's understanding of recent de-
velopments in relations between the Chinese (Kuomintang) Govern-
ment and the Chinese Communists.
The Department is confident that the Embassy will continue to
follow closely and discreetly developments between the Kuomintang
and the Communists. Special note is taken of the suggestion in the
despatch prepared by Mr. Sprouse regarding the possibility that
“Central Government control over the areas now under its authority”
might "become so weakened through local dissension as to make any
such areas susceptible to Communist propaganda . . . “ The Em-

60 Enclosures not printed.
bassy will of course report available information in this regard and information in general with regard to any spread of Communist or other dissident influences.

Very truly yours,

For the Secretary of State:
A. A. BERLE, JR.

761.93/1724: Telegram

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

CHUNGKING, October 13, 1943.
[Received October 18—11: 15 a. m.]

1935. Embassy's 1864, October 5, last paragraph. Consul [at] Tihwa now reports that he was informed by provincial chairman October 9th that on October 6th some 400 Soviet troops and 7 planes evacuated Hami and that remaining 100 troops and 2 planes are to leave upon signature of documents covering sale of Soviet installation there to Chinese. Consul previously reported agreement reached on sale for Sinkiang 2,000,000 (U. S. 500,000) but money not yet paid.

GAUSS

893.00/15166

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

No. 1675

CHUNGKING, October 14, 1943.
[Received November 6.]

Sir: Reference is made to the Embassy's telegrams No. 1709, September 14, and No. 1741, September 17, 12 noon in regard to the discussion of the Chinese Communist question by the 11th Plenary Session of the Central Executive Committee of the Kuomintang in September and to the Embassy's despatch No. 1639 [1636] of September 29, 1943, regarding the C.E.C.

There are now enclosed the following, as reported by Central News Agency's English Service: (a) copy of General Chiang Kai-shek's instructions to the C.E.C. Session on the Communist problem; (b) copy of the resolution adopted by the C.E.C. in regard to this question; and (c) copy of the resolution approved by the Third People's Political Council at its session in September regarding the 18th Group Army (Communist).

Despatch not printed.
Dated September 13; for text, see United States Relations With China, p. 530.
Last enclosure not printed.
Summary. The attitude of the Kuomintang toward the Chinese Communist Party, as indicated in the instructions issued by General Chiang Kai-shek at the C.E.C. Session and in the resolution adopted by the C.E.C. on the Communist question, is outwardly conciliatory. Other indications are that, while there has been no change in the military situation in the border region, relations between the two parties have worsened, those indications being comprised in the bitter propaganda campaign now being carried on by both the Kuomintang and the Communist Party (Embassy’s despatch 1651 of October 6), the attack made on the Communist Party by the Minister of War at the Third People’s Political Council in September, the resolution adopted by the P.P.C. on the question of the Communist army, the reduction of the number of Communist Party representatives at Chungking and the reported recently instituted close surveillance by Kuomintang secret police of those representatives. It is generally believed that the Central Government is committed to a policy of liquidation of the Chinese Communist Party by one means or the other and that this policy will be carried out if and when the Kuomintang decides that it can be achieved without too great danger to its internal position and to China’s international position. The peaceful settlement of the Communist problem and the ascendancy of liberal elements over Communist and Fascist groups in China are matters of serious concern to the United States. End of summary.

Kuomintang Charges Against the Chinese Communists; Communist Denial

Both General Chiang Kai-shek’s instructions to the C. E. C. and the C. E. C. resolution on the Communist problem state that the Communist problem is a political problem to be solved by political means. They emphasize the failure of the Chinese Communist Party to fulfill the promises made in its manifesto of September 22, 1937,” in which the Communist Party is said to have agreed (1) to struggle for the thorough realization of Dr. Sun Yat-sen’s Three People’s Principles; (2) to abandon its policy of attempting to overthrow the Kuomintang’s political power; (3) to abolish its soviet form of government and “to realize political democracy”, thus helping to bring about the political unity of the nation; and (4) to reorganize the Chinese Red Army into a national revolutionary army under the command of the National Military Council, the army to await orders to move to the front to fight the Japanese. The Communists affirm that they have carried out these promises and that the promise “to realize political democracy” has been fulfilled in areas under Communist control in that a democratic form of government has been established in those areas under which one-third of the representation in the government is Communist, one-third Kuomintang and one-third members without party affiliation. They add that this promise envisaged the establishment of similar governmental forms in the Kuomintang-controlled

* For text, see United States Relations With China, p. 523.
areas and that this idea was implicit in the statement that the Communist Party would "realize political democracy in the hope that the political power (of the people) of the whole nation might be unified." They point out that their armies have opposed the Japanese since the beginning of the war, without receiving any military supplies and drugs from the Central Government since the end of 1938 and without governmental subsidies since 1939.

In General Chiang's instructions and in the C. E. C. resolution the Communist Party is accused of sabotaging the war effort and of endangering the security of the state and the tolerant attitude of the Kuomintang is pointed to, as shown in the manifesto issued by the 10th Plenary Session of the C. E. C. in November 1942 in which the C. E. C. declared that the Central Government was prepared to overlook the past record, either in thought or in deed, and would respect the opportunity of individuals or political groups to serve their country.

The Minister of Information on several occasions during recent months has bitterly attacked the Communists at his weekly press conferences. In reply to a question from newspaper correspondents at a press conference shortly after the conclusion of the C. E. C. Session in regard to the measures to be adopted to solve the Communist problem if political means failed, the Minister stated that the Kuomintang would seek a solution on the basis of the resolution passed and of the views expressed by General Chiang and that it was hoped that the Chinese Communists would place national interests above those of their party and would not hinder the prosecution of the war.

The Central Government has recently charged the Communists with attacking Chungking troops instead of engaging in operations against the Japanese (as in General Chiang's instructions to the C. E. C. and the Kuomintang press propaganda campaign against the Communists). This was one of the charges made by General Ho Ying-chin, Chief of Staff and Minister of War, during the recently concluded session of the Third People's Political Council (Embassy's telegram No. 1804, September 25, 2 p.m.). Mr. Tung Pi-wu, the Communist delegate to the P. P. C., in denying at the P. P. C. session the truth of the charge, pointed to the existence in General Ho's files of letters from his commanders in the field reporting that Communist troops had on the occasions mentioned by Ho come to the assistance of the Chungking troops and had aided them in repulsing the Japanese. The Communists also state that the recent report that the Communist troops had attacked Central Government troops in Shantung (Embassy's telegram No. 1722, September 15, 4 p.m.) was without foundation, that these troops were former Chungking forces which had deserted to the Japanese in early July previous to the attack
made on them by the Communists and that the headquarters of the Shantung Provincial Government at Chungking had never received such a report and was completely surprised to see the report published. According to the Communists, the Kuomintang fears that the end of the war may find the Communist troops rather than Central Government forces in control in those areas of north China from which the Japanese withdraw and that the Central Government may not be sufficiently strong to oppose them successfully. In this connection, the Communists charge that the Chungking authorities are now encouraging defections from their own (Kuomintang) troops to the Japanese in north China as a means of providing opposition to the Communist forces, of solving the supply and food problem and of having their own troops in that area at the end of the war following Japanese withdrawals.

Possibilities of Compromise

General Chiang’s instructions to the C. E. C. and the C. E. C. manifesto, coming at a time when there were fears of a Kuomintang ultimatum to the Chinese Communist Party, served to ease the tension momentarily and in a relative sense but it is an uneasy truce which continues to exist. (Generals Hu Tsung-nan, Deputy Commander of the 8th War Zone, Fu Tso-yi, Chairman of the Suiyuan Provincial Government and Commander of the Chinese Forces in Suiyuan, Ma Hung-kuei, Chairman of the Ninghsia Provincial Government, Chang Chih-chung, Chief of the Political Training Board of the National Military Council, and Chiang Ting-wen, Commander of the 1st War Zone, were all reportedly summoned to Chungking by General Chiang Kai-shek on very short notice at the time of C. E. C. session in September to participate in military conferences which are believed to have been related to possible action against the Communists.) Neither of the two parties seems willing to make concessions necessary to bring about an agreement. Such concessions on the part of the Communists would certainly entail the removal of the Communist army from the area it now occupies and its incorporation into other units of the Central Government forces, probably scattered over the entire country. The governmental power would be expected to be placed under Kuomintang control as is the case in other parts of free China, for it is not likely that the Communists would be permitted to retain any voice in the Government in their present areas unless that voice were backed by armed force—a force which would be lost with the relinquishment of its army. Kuomintang concessions, according to Communist sources, would entail the establishment of some form of representative government in which the Communist Party and other minority groups would have a share. It would also require freedom of
speech, of assembly and of the press—i.e. guarantees of security for the Communists.

It is debatable what the result of such a move would be at the present moment. Many liberal Chinese in addition to the Communists insist that establishment of a truly representative government would not necessarily entail the loss of a dominant voice in the Government by the Kuomintang but that it would mean the elimination of the oppressive and corrupt practices in which the Kuomintang now indulges in order to enable it to hold its power; that such a move would result in a greater spirit of unity on the part of the people and a genuine whole-hearted support of the war effort and of the Government. The Kuomintang on the other hand points to the unrest already existing and fears that without the strong controls now in existence chaos would result and that too much freedom at the present moment might lead to disruptive tendencies with every individual and every group trying to make its voice heard. The result is that there seems to be no common meeting ground for the two parties. The Kuomintang, therefore, continues to maintain its blockade of Communist-occupied territories, asserting that the slightest relaxation of that blockade will mean the extension of Communist control over adjacent areas. It employs the blockade both as a form of pressure on the Communist Party for the acceptance of the Kuomintang demands and as a preventive of the extension of Communist control.

Communist Estimate of Present Situation

The Communists state that General Ho Ying-chin’s attack on the Communists is but one phase of the propaganda campaign decided upon by the Kuomintang to publicize and expose Communist “crimes”. Mr. Tung Pi-wu warns that further reports of this type are to be expected in the future and that many of them will come from provincial, municipal and hsien assemblies. He asserts that the occasion of General Ho’s attack was the first time since the organization of the P. P. C. that the Communists had been openly attacked, although an effort had been made to initiate such an attack during the P. P. C. session in 1942—an effort which was forestalled by his (Tung’s) prompt protest. Mr. Tung states that General Chiang Kai-shek purports to feel that the Communist question is purely a domestic problem and that foreign opinion in this matter should be disregarded. He asserts that General Chiang has so informed his associates and has stated that in any event the American and British Governments are capitalist regimes which have no regard for the Communists. Mr. Tung is of the opinion that as matters now stand the situation is generally worse than at any time since the crisis in July of this year when the Central Government concentrated additional troops around the Communist
areas in Shensi. He expresses the belief, however, that General Chiang does give consideration to foreign opinion regarding the Communist problem in spite of his apparent indifference. He adds that the question of the Szechuan militarists also enters into any estimate of the situation and that the Central Government has recently moved an army corps from Paochi, Shensi, to Tahsien, eastern Szechuan, to provide for eventualities in the event of a Kuomintang-Communist conflict.

Communist sources state that General Chou En-lai, the Communist representative who left for Yenan at the end of June, will not return to Chungking in the immediate future and that the question of his return may well serve as a barometer of improved relations between the Kuomintang and the Communists. It is to be noted that the Communist Party representation at Chungking has been reduced and that there remains only a minimum number considered essential in the operation of the 18th Group Army Headquarters and of General Chou’s office and in the publication of the Communist daily and bi-monthly magazine. The Communists also state that following the withdrawal of Mr. Tung from the P.P.C. session their representatives have been under close surveillance by the Kuomintang secret police and that one non-Communist Chinese who was seen talking to Communist members on the street was followed and warned by the secret police that serious consequences could be expected if he were again found with Communists.

Chinese Suspicion of Soviet Russia

In the background of the situation is inevitably present a deep-seated Chinese fear and suspicion of Soviet Russia and its intentions with regard both to the Chinese Communists and the Northeastern Provinces. (The Embassy has reported on this subject on a number of occasions.) That the Russians are not altogether disinterested in the Chinese Communist Party is evident from the call made in July at the American Embassy by representatives of the Soviet Embassy at Chungking who expressed Soviet concern over the possibilities of civil war between the Central Government and the Communist Party (Embassy’s telegram No. 1188, July 14, 12 noon). This fear gives added reason for the Kuomintang to wish to dispose of the Communist question before the conclusion of the war in order that a post-war Kuomintang-Chinese Communist struggle for control in north China may not occur. Even should Soviet Russia remain outside the war against Japan, there would exist the possibility of Russian assistance, outright or under cover, to the Chinese Communists.
Possibilities of Civil War

All these factors point to but one conclusion to the continued struggle between the two rival parties—civil war at some undetermined future date. Whether it will come prior to the conclusion of the war against Japan or after that date would seem to depend largely upon the Kuomintang's estimate of the possibilities of success. If the Kuomintang believes that it can embark upon such a campaign with chances of rapid success, it is possible that it will not await the end of the war against Japan. The end of the war in Europe will find a militarily-strong Soviet Russia which may be expected to take an active interest in the Far Eastern situation. That interest is likely to include the Chinese Communists and every day that passes brings nearer the possibility of Russian interference in the Communist situation in China. The Kuomintang may feel that the present offers the greatest chance of non-interference from the American and British Governments which might be expected to exert no great pressure against such a move because of a desire to keep China in the war. There would seem to be more arguments against the advisability of launching into civil war in the post-war period provided the Kuomintang should feel that it could successfully carry through such a campaign prior to that time. The present propaganda campaign against the Communists is expected by the Kuomintang to build up a picture of an obstructionist and disobedient Communist Party which is hindering the prosecution of the war against Japan and is in well nigh open revolt against the legally constituted government of China, contrary to the wishes of the people—a propaganda campaign which is perhaps a necessary prelude to outright action against the Communists.

The Embassy feels that the chief danger in the situation lies in a possible miscalculation by the Kuomintang of its chances of success if its armies attack the Communists. The Kuomintang may consider that it is strong enough to accomplish its objective—the liquidation of the Communists—before the end of the war. (In this connection, the Secretary of Embassy at Sian has recently reported that Central Government military officials there seem for the most part to make light of the military strength of the Communists, especially in respect to military equipment and supplies. They seem to suggest that the Chinese Communist forces, at least those in north Shensi, could be liquidated speedily and easily.) Indications are that the result of civil war in the near future would be the end of what little affirmative contributory war effort is now being made by China. The dissident provincial elements, such as the Szechuan militarists (whose possible
opposition was reportedly one of the reasons for the failure of the C. E. C. to issue an ultimatum against the Communists in September), are not likely to neglect an opportunity to “fish in muddy waters” and utter chaos might well result. The general condition of Central Government troops, suffering from malnutrition and insufficient medical attention and in many cases lacking—through long inactivity—the spirit to fight, would necessarily be a factor in any campaign against Communist troops, who are described by Central Government military officials as well led and trained, disciplined and of good fighting spirit but lacking military equipment in all categories.

The possible alternatives to any civil war in China may be (1) a compromise between the two rival parties, which, gained under the pretext of democracy, might serve through the limited exercise of such principles to prevent the spread of Communism in China or (2) the carrying out by the Kuomintang of democratic reforms, particularly in the agrarian field, designed to deprive the Chinese Communist Party of one of its greatest sources of popular appeal among the peasants. (The Communist Party’s present strength has perhaps resulted largely from the failure of the Central Government to take any effective measures of agrarian reform and the Communist movement as at present constituted in its non-industrialized bases is chiefly a symbol of agrarian protest.)

It is of importance to the United States that there emerges a new China which will be friendly to the United States and which will not be torn by civil strife nor controlled by reactionary ultra-chauvinistic elements. There already exist among these powerful elements suspicion of western ideas and influence and some latent anti-foreignism which under their direction could readily be encouraged and extended over the country. If civil war is prevented and if the Kuomintang is forced by virtue of circumstances to give way to demands for reforms or for the broadening of the base of the government with resultant liberalizing influence, China may be saved both from Communism and from the perhaps worse evil of the Chinese brand of Fascism which masquerades under Sun Yat-sen’s San Min Chu I. Fascist tendencies of this kind are becoming more and more evident. A solution of the Kuomintang-Communist problem which will avert civil war and by liberalizing the present regime lessen the influence of the reactionary elements now in power would provide a solution greatly to the advantage of the United States in the light of its long-term interests.

Respectfully yours,

C. E. GAUSS
C. E. C. ADOPTS RESOLUTION ON COMMUNIST ISSUE

Communists Be Persuaded To Redeem Pledge Made In Declaration Of 1937

(Central), Sept. 13. The following is the English translation of the resolution passed by the 11th Plenary Session of the 5th Central Executive Committee of the Kuomintang regarding the problem of the Chinese Communist Party:

Having heard the general report on the Chinese Communist Party's activities subversive of the state and detrimental to our war efforts, we realize with deep regret that the said Party, instead of showing the slightest sign of being moved by the generous and tolerant attitude taken by the Tenth Plenary Session held last November, has actually intensified its activities of endangering the security of the state and sabotaging our war efforts.

Our holy war against aggression having passed through its most critical stage after 6 long years, the victory anticipated by the whole nation is already in sight. In order to ensure lasting freedom and welfare for the country and final triumph over aggression, the Government is firmly convinced that unless national unity is placed on a solid foundation, it is next to impossible to carry out successfully our program of resistance and reconstruction. Bearing in mind this guiding principle, the Government sincerely hopes that the Chinese Communist Party will refrain from committing acts undermining national unity and obstructing the prosecution of our war. It is with this purpose in view that the Government has consistently taken an attitude of forbearance towards the said Party. Animated, now as ever, by the same spirit, we do hereby resolve to entrust the Standing Committee with the task of settling this matter and of persuading in an appropriate manner the Chinese Communists to realize their past mistakes and honestly redeem the pledge made in their declaration of September 22nd, 1937, namely "(1) To struggle for the realization of the Three People's Principles; (2) To abandon the policy of creating disturbance and propagating the communist movement; (3) To dissolve the present Soviet government, thus helping to bring about the political unity of the whole nation; (4) To disband the Red Army by incorporating it in the National Army under the direct command of the Military Council of the National Government."] In this way, national interests will be safeguarded, military orders and government decrees carried out, victory in our war of resistance and success in our reconstruction work assured, so that the fervent hope of the people may be fully realized. As the Plenary Session has resolved to convene the National Congress within one year after the cessation
of hostilities to make and promulgate a constitution, all other problems can be discussed and solved in that Congress. The present session of the Central Executive Committee, while resolutely striving for the consummation of its fixed policy unifying the country and safeguarding the victory of war, hereby reiterates to the Chinese Communist Party its most earnest and sincere expectations.

893.00/15168

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

No. 1686  CHUNGKING, October 16, 1943.

[Received November 6.]

Sir: Referring to the Embassy’s despatch No. 1675 of October 14, 1943, in regard to Kuomintang-Communist relations, I have the honor to enclose a copy of despatch No. 51 of August 27, 1943, from the Secretary on detail at Sian reporting a conversation on that subject with General Li Kun-kang, Chief of Staff to General Hu Tsung-nan, Deputy Commander of the Eighth War Zone.

Summary. According to the despatch, General Li denies the rumors of Central Government troop concentrations in July on the boundaries of the Border Region in Shensi and states that there has not been and not now is there any intention on the part of the Central Government of using military force against the Communists. General Li is said to feel that the Central Government’s policy is to seek a political solution of the Communist problem but he admits that the Chinese Communists will not be willing to disband their organizations. It is General Li’s professed opinion that the Communists are weak, militarily and economically, that they do not enjoy the support of the people in the areas which they control and that they are not active militarily against the Japanese. Mr. Drumright adds that he has been unable to confirm that the Central Government troops concentrations against the Communist Border Region in July were anything more than replacement transfers. End of summary.

Central Government officials at Chungking who have discussed the matter with the Embassy have admitted the concentration of Chungking troops in Shensi during July, explaining it as a measure of pressure on the Communists for acceptance of Kuomintang terms (Embassy’s telegrams No. 1136, July 9, 4 p.m.; No. 1173, July 13, 4 p.m.; and No. 1214, July 17, 6 [3] p.m.)

Denials of these reports have come from General Hu Tsung-nan himself, who was the commander of the Central Government forces in question, from General Chang Chih-chung, who denied even the concentration of any troops, and from various officials at Sian. Whether or not the concentrations represented an increase in the number of

*Not printed.*
troops participating in the blockade of the Communist-controlled areas or merely replacement transfers, the purpose seems to have been an effort to impel Communist acceptance of Central Government demands and perhaps partially to prevent extension of Communist control in areas adjacent to their present territory.

Respectfully yours,

C. E. Gauss

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893.00/15148: Telegram

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

CHUNGKING, October 17, 1943—10 a.m.
[Received October 17—6:31 a.m.]

1968. Embassy’s 1695, September 12; 1709, September 17 [14] and previous. Foreign Office Information Department official states that Chinese Government in about 1 week or 10 days will make important announcement in regard to Chinese Communist problem; that announcement will follow line laid down in General Chiang Kai-shek’s instruction to CEC, September 13;* that opinion in Foreign Office is to effect that an agreement with Communists will be reached by negotiation and that military action against them will be avoided.

Informant states that announcement will be timed to coincide with meeting of Foreign Ministers of USA, Britain and Soviet Union at Moscow in hope that problem of Chinese Communists will be brought to attention of that conference.

Gauss

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893.001 Chiang Kai-shek/9

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

[Extracts]

No. 1700

CHUNGKING, October 19, 1943.
[Received November 6.]

Sir: Referring to the Embassy’s telegram No. 1913 of October 11, 1943, in regard to the inauguration of General Chiang Kai-shek as President of the National Government of the Republic of China, I have the honor to enclose a copy of President Chiang’s speech broadcast to the nation on the day of the inauguration and to report further regarding the inaugural ceremony.

* Repeated by the Department on October 20 to the Ambassador in the Soviet Union.
* For text, see United States Relations With China, p. 530.
* Not printed.
Summary. General Chiang was sworn in as President of the National Government at the National Government Building on the morning of October 10, 1943, in the presence of high government officials. No foreign diplomatic representatives or newspaper correspondents were invited to attend the ceremony. In the afternoon following the ceremony, President and Madame Chiang received the members of the diplomatic corps and of the foreign military missions at Chungking. The Chinese vernacular and English language press carried reports of congratulatory messages from foreign governments and from various leaders throughout China. End of Summary.

President Chiang’s Broadcast Message to the Nation

In his broadcast message to the nation on the night of October 10, President Chiang referred to Dr. Sun Yat-sen’s policy of building up the Republic of China: China should fulfill the obligations and enjoy the rights of a civilized nation and should foster closer relations with friendly nations on the principle of peace with a view to elevating China’s position in the family of nations and realizing the ideal of universal brotherhood; the territories of the Hans, Manchus, Mongols, Muslims and Tibetans should be welded together into one country and merged into one nation; and China should establish a republican form of government, improve the people’s livelihood and fulfill the high aspirations of the nation through the consummation of the revolution. President Chiang stated that China was now engaged in a war in pursuance of this consistent policy. He explained how the Chinese people must exert themselves in order to establish a democratic government and pointed to the important prerequisite to the realization of the “Principle of Democracy”: the democratic spirit lies in the observance of law and discipline and the Chinese people should grasp fully the true meaning of freedom and government by law and cultivate the habit of respecting freedom and observing law and discipline.

Respectfully yours,

C. E. Gauss

803.00/13150: Telegram

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

CHUNGKING, October 20, 1943—9 a.m.  
[Received 3:20 p.m.]

1982. Embassy’s despatch 1580, September 16. The Telegram of October 15 from Clubb at Tihwa states native disturbances reported in Altai region and south Sinkiang and Turki language circulars said re-

Not printed.
ently distributed in Tihwa calling on people to rise against Sheng’s rule.

Clubb reports (a) that Chinese officials reputedly believe disturbances are instigated by Soviets, but he believes unsettled political grievances of non-Chinese population and continuing economic deterioration are important factors in this situation.

GAUSS

761.93/1737: Telegram

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

CHUNGKING, October 20, 1943—5 p. m.
[Received 5:35 p. m.]

1939. Consul [at] Tihwa reports that on October 16 he was told by Foreign Affairs delegate that Soviets have fixed price for Toutungho installation at U.S. [$] 5,296,600; that formal negotiations not yet undertaken; that 200 of Soviet troops evacuating Hami have stopped at Toutungho and same number are at Tushan; that delegate has protested to local USSR Consul General and that Soviets have withdrawn from Wusu airfield but not from Ining and Toutungho fields. Consul surmises that Soviets intend to retain troops at Toutungho and Tushan until final arrangements for handing over of installations to Chinese are agreed upon.

Foregoing refers to Embassy’s 1935, October 13 and despatch 1532, September 1. 72

Repeated to Moscow.

GAUSS

898.00/15152: Telegram

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

CHUNGKING, October 21, 1943.
[Received October 21—4:40 p. m.]

1995. At his first press conference October 20 Liang Han-chao, newly appointed Minister of Information as successor to Chang Tso-fan, stated there will not be a civil war in China and that possibility of Kuomintang leading nation at war against Chinese Communists does not exist at all “since we are all engaged in the supreme task of defeating the enemy and winning the war.” He said attitude of Kuomintang toward Chinese Communists can be summed up by President Chiang’s message to CEC in September and that rumors of civil war has origin in oversensitiveness or ulterior designs of Chinese Communists to achieve certain political aims with hope of bringing about

72 Latter not printed.

332545—57—24
solidarity within their party. Liang expressed opinion that Chinese Communist attitude toward Kuomintang and Central Government has been moderated since PPC session in September.

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803.001 Chiang Kai-shek/11

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

No. 1722

CHUNGKING, October 22, 1943.

[Received November 6.]

Sir: Referring to the Embassy’s despatch no. 1700 of October 19, 1943, in regard to the inauguration of General Chiang Kai-shek as President of the National Government, I have the honor to enclose a copy of despatch no. 161 of September 29, 1943, from the Secretary on detail at Chengtu regarding the reaction at that city to the acceptance by General Chiang of the presidency.

Mr. Smith’s despatch, which contains a summary, is of chief interest in that it reveals, as stated in the despatch, the considerable prestige of General Chiang among the people as well as the bitter criticism of some of his close followers. The report mentioned on page 2 of Mr. Smith’s despatch concerning the replacement of the Mayor of Chungking by ex-[the late] President Lin Sen’s chief assistant is not correct; the present Mayor continues to hold his office.

Respectfully yours,

C. E. GAUSS

[Enclosure]

The Second Secretary of Embassy in China on Detail at Chengtu (Smith) to the Ambassador in China (Gauss)

No. 161

CHENGDU, SZECHUAN, September 29, 1943.

Sir: I have the honor to report that, as might be expected, there was little local enthusiasm shown over the Generalissimo’s acceptance of the Presidency. Some nine thousand students of the Central Military Academy “spontaneously” demonstrated their enthusiasm in a parade through part of the city and there was a Kuomintang inspired fire-cracker celebration in the main business section.

Summary. There was not much apparent local enthusiasm over the Generalissimo’s assumption of the Presidency except among the students of the Military Academy. However, political observers expressed gleeful admiration of the manner in which the Generalissimo had maneuvered the other three leading aspirants for the position into insisting that the Generalissimo take the post and being satisfied when
he took their advice. Such stories, whether true or not, enhance the Generalissimo's personal and political prestige in Chengtu.

Two of the best informed Chinese observers with whom I am in contact, neither of whom seems whole-heartedly in favor of the Central Government, made a special occasion to tell me with great glee and admiration of the clever manner in which the Generalissimo had managed to take the appointment without offending Wang Chung-hui or the two other principal aspirants for the Presidency. They say that the Generalissimo called Wang Chung-hui in to see him and asked him to prepare most carefully a list of the functions, powers and responsibilities he thought the man acting as President should have. Wang returned to his home and after two days of hard work produced a most formidable list. The Generalissimo, after studying it carefully, remarked that it was a masterly piece of work and that he was in complete agreement with it, but one thing worried him. It was obvious that whoever accepted such great responsibilities could not possibly be spared to represent China at the Peace Conference. Wang Chung-hui reluctantly agreed. Then the Generalissimo asked Wang whether he thought was the best fitted for the Presidency. Wang replied immediately that he thought the Generalissimo should take the Post. The Generalissimo said that, in his own opinion, Wang himself was the ideal man for the position, but, in view of the great need to have Wang free to represent China adequately at the Peace Conference, the Generalissimo would reluctantly agree to accept the responsibilities of the Presidency himself. Wang is said to have left the interview almost as happy over the promise of future glory as he might have been if his expectations of appointment to the Presidency had been realized. The Generalissimo then called the two other leading aspirants for the position in to see him, and showed them what he called "Wang Chung-hui's list" and asked them whether they had any criticism or suggestions. They offered no criticism but, being thus convinced that Wang Chung-hui had the inside track for the appointment, urged the Generalissimo to accept the position himself as the only man fitted to hold such a responsible position. The Generalissimo finally agreed with them with apparent reluctance, sending them away satisfied that even if neither of them had received the appointment, they had prevented Wang Chung-hui from getting it and making a life-time job of it. They could each nourish the hope that, when time came for the Generalissimo to relinquish the post, it would fall to them.

Having thus disposed smoothly of the leading aspirants for the position the Generalissimo is said to have appointed Ex- [the late] President Lin Sen's chief assistant to serve as Mayor of Chungking.

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72 Secretary General of the Chinese Supreme National Defense Council and former Minister for Foreign Affairs.
and to have placed the deposed mayor in charge of the Presidential Office—thus disposing effectively of the problem of “hang-over staff”.

Many Szechuanese resent what they consider to be “poaching” on their private political preserves but even they seem to highly admire and privately laud the Generalissimo’s political acumen and skill. The admiration that such stories elicit is a real political force, whether or not the stories are true. The political prestige of the Central Government in Chengtu is considerably enhanced by the personal respect that is felt for the Generalissimo. Stories of his cleverness in dominating people and of his political foresight are favorite topics of conversations in Chengtu tea shops, along with bitter gossip about the foibles and failings of some of his chief assistants.

Respectfully yours, 

HORACE H. SMITH

893.00/15178

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

No. 1739

CHUNGKING, October 27, 1943.

[Received November 18.]

Sir: I have the honor to enclose a copy of despatch no. 4 of September 21, 1943, from the Secretary on detail at Lanchow reporting observations made to him by responsible and well informed Central Government officials at Lanchow in regard to the disintegration of the political and administrative authority of the Central Government and of the Kuomintang.

The despatch is of chief interest in that it reports criticism of the Chungking administration by its officials in an area where, together with the Sian area, the repressive tendencies of the Central Government are perhaps most strongly in evidence.

Respectfully yours,

C. E. GAUSS

893.00/15177

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

No. 1743

CHUNGKING, October 27, 1943.

[Received November 16.]

Sir: I have the honor to enclose a copy of despatch No. 86 of October 9, 1943, from the Secretary on detail at Sian in regard to the centralization of military power in the Sian area under General Hu Tsung-nan, Deputy Commander of the 8th War Zone.

*Not printed.*
Summary. General Wen Chao-chi, formerly Director of the Sian office of the Military Affairs Commission, has succeeded General Yuan Pu as Garrison Commander of Sian, a change apparently brought about by General Hu Tsung-nan. General Hu, the most important military figure in the Sian area, has gradually centralized power in his hands to such an extent that General Hsiung Pin, Chairman of the Shensi Provincial Government, finds the civil administration of the province hampered by military interference, demands and exactions. The demands of General Hu's armies for food and clothing have led to economic control and although Hu himself is said to be incorrupt his officers have engaged in malpractices in connection with taxation, conscription and bribery. There is doubt as to the wisdom of stationing certain armies and commanders in a given area over a period of years in view of the resulting evils which may endanger the future of the nation. End of summary.

Mr. Drumright's observations in regard to the stationing of troops and commanders in the same area over a long period are echoed by other observers who have seen the growth of vested interests of various Chinese commanders in other sections of free China who in acquiring military, political and economic control over an area place themselves in a relatively independent position vis-à-vis the Central Government authorities in the event of any possible future internal trouble in the nation.

Respectfully yours, C. E. GAUSS

898.00/15122

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

No. 1747 Chungking, October 28, 1943. [Received November 18.]

Sir: Referring to the Embassy's despatch No. 1676 of October 14, 1943,75 in regard to the Third People's Political Council, I have the honor to enclose (a) copy of a Central News Agency (Government-controlled) despatch of October 20, 1943, reporting the announcement by the Supreme National Defense Council of the Organic Law of the Committee for the Establishment of Constitutional Government and the appointment by President Chiang Kai-shek of the members of that Committee and (b) copy of a memorandum dated October 27, 1943, on this subject prepared by Mr. John S. Service, Second Secretary of Embassy attached to General Stilwell's Headquarters.76

Summary. The organization of the Committee was approved by the Second Session of the Third P.P.C. in September upon the recommendation of President Chiang; its membership, appointed by the

75 Not printed.
76 Neither printed.
Supreme National Defense Council, is composed of Central Executive and Central Supervisory Committee members, delegates of the P.P.C. and experts in constitutional government. In accordance with the Organic Law of the Committee, announced by the Council, President Chiang, as Chairman of the Supreme National Defense Council, will be Chairman of the Committee. The Committee’s function will be to investigate, examine, discuss and report to the Government on matters relating to constitutional government. Minority parties are reported to be critical of the overwhelming Kuomintang majority control of the Committee and the lack of appropriate minority representation and to be unwilling to cooperate in the work of such a committee. End of summary.

Organic Law of the Committee

The Organic Law of the Committee, which was established by the Supreme National Defense Council, provides for the membership to be appointed by the Council from the Central Executive and Supervisory Committees of the Kuomintang, from members of the People’s Political Council (members of its Presidium to be ex-officio members of the Committee) and from among persons with experience in political affairs and constitutional government. Functions of the Committee are (1) to submit to the Government proposals concerning constitutional government; (2) to investigate local organs of public opinion; (3) to investigate the manner in which all laws relating to constitutional government are being enforced; (4) to serve as liaison between the Government and public organizations in matters relating to constitutional government and other political questions; and (5) to examine and discuss all matters concerning the enforcement of constitutional government according to the Government’s instructions. All important questions are to be submitted to the government offices concerned through the Chairman of the Committee.

Membership of the Committee

The Committee is composed of 54 members, including the Chairman and the seven members of the P.P.C. Presidium. Forty-six of this number were nominated by President Chiang for appointment by the Supreme National Defense Council. Of the membership of the Committee approximately 35 are Kuomintang members, about 10 are members of independent minority groups and the remainder are without party affiliation. The majority of the latter, however, are expected to support the Kuomintang in view of their past record, some of them being bound by personal allegiance to President Chiang.

Moderate groups appear to have been given a dominant share in the Committee and the known representation of the reactionary CC clique is less than the total of the Political Science Group and Dr. Sun Fo’s followers. A number of scholars and lawyers have been
named to the Committee. Only one military representative, General Hsiung Shih-hui, has been placed on the Committee, and he is considered a member of the Political Science Group.

Controversy between the Kuomintang and the Minority Groups over the Committee

The lack of support given by the minority party leaders to the P.P.C. during its session in September (there was negligible minority party representation in attendance) nullified the efforts of the Kuomintang to point to the increasing popular support behind the P.P.C. and increased existing doubts regarding the real attitude of the Kuomintang toward constitutional government. Therefore, prior to the establishment of the Committee discussions between the Kuomintang and the minority groups (except for the Communist Party) centered around the questions of legalization of minority political parties and the establishment of a committee independent from the P.P.C. to deal with matters relating to constitutional government. The result was the placing of the Committee under the Supreme National Defense Council which, while purely Kuomintang, is less obviously political than the Central Executive Committee of the Kuomintang and in theory is the highest organ governing the nation. The minority groups then insisted that their leaders or chosen delegates be named members of the Committee as representatives of their parties and that all minority parties be given representation. A list of members submitted by the minority party leaders to President Chiang was not, however, agreed to and three outstanding minority leaders were not appointed. Those appointed were named as experts or as members of the P.P.C. and not as representatives of their parties. The minority parties feel that the Kuomintang is attempting to break up their united front by the elimination of the three appointees requested.

Minority Party Criticism of the Committee

Minority party leaders resent the overwhelming Kuomintang majority control of the Committee which is under the Government rather than an independent committee and state that its powers are vague and its effectiveness doubtful. They particularly resent the fact that President Chiang is Chairman of the Committee in that his presence may be expected to prevent the free discussion and criticism necessary to the working of any such committee.

According to reliable reports the Communist Party was not consulted with regard to the composition or the organization of the Committee and its first knowledge thereof was the announcement by the Supreme National Defense Council. The Kuomintang in its publicity has, however, emphasized the part allegedly to be played in the com-
committee’s work by minority party personnel. A China Information Committee Bulletin (Ministry of Information release) of October 21 was headlined “Communists on Constitutional Government Committee” and devoted several paragraphs to the participation in the Committee of various minority party leaders.

As a result of the controversy, the minority parties are now reported to be unwilling to cooperate with the Committee and to have taken the position that they will not participate unless all minor groups are appropriately represented. The consequence of the criticism and controversy is that the Committee which is actually more moderate in composition than might have been expected or hoped for is hampered at the outset by political bickering. This circumstance will likely not only lessen the effectiveness of the Committee but will also make more evident, if not more voluble, the suspicion between the Kuomintang and the minor opposition groups.²⁸

Respectfully yours,

C. E. GAUSS

740.0011 Pacific War/3517; Telegram

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

CHUNGKING, October 30, 1943—2 p.m.

[Received October 31—7:28 a.m.]

2044. Drumright at Sian in telegram October 27 reports as follows: Chungking armies recently transferred to Shantung now being withdrawn by Chiang Kai-shek’s orders. Only three divisions guerrillas remain north Yellow River, regular troops having been removed from that area. Important northern provinces thus almost entirely denuded of Chungking troops and only puppet, Communist and Japanese forces remain. During October three Chungking armies were moved to Shensi and Kansu from Honan as reinforcements on west flank of Communist border region. Over one million Chungking troops now in Honan but no indications of plans for North China offensive unless Japs completely collapse. Military leaders in Sian area apparently devoting chief attention to establishment closer relations with puppet forces who will at safe moment support Chungking.

GAUSS

²⁸ In a memorandum dated February 22, 1944, Troy L. Perkins of the Division of Chinese Affairs commented: “It is interesting to note that the minority parties, because they are not appropriately represented, are now reported to be unwilling to cooperate with the Committee, apparently in the hope that a show of independence may strengthen their position and even lead to the legalization of minority parties. This may indicate that some non-Kuomintang and liberal leaders see a possibility that the one-party monopoly can be effectively broken.”
Memorandum of Conversation, by the Ambassador in China (Gauss)\textsuperscript{79}

[Extracts]

[Chungking,] November 1, 1943.

On invitation of Madame Chiang Kai-shek, I attended a tea at the Chiang residence yesterday afternoon.

After the usual exchange of courtesies (during which I extended my best wishes on his birthday), the Generalissimo turned to other subjects. I record the pertinent parts of the conversation.

[Here follow references to the "Tokyo-Nanking Alliance" and the Four-Power declaration.\textsuperscript{80}]

3. The China Situation. He then asked me pointedly what I thought of the China situation at this time. I avoided any reference to the political and military situation by saying that since my return from the United States I had been particularly interested in bringing myself abreast of the general position and had lately been studying the economic developments which had taken place during my absence. I continued that for the past six or more years China has been facing a rapidly developing economic situation which presented problems of great importance and difficulty even for trained economic experts; I had been a keenly interested observer of these developments and of the measures which had been taken to endeavor to meet them.

The Generalissimo then undertook an exposition of his views on the situation. He commented that the most important factor recently had been the provision of the gold loan from the United States. It had improved public confidence. He said that there are four important factors in the economic situation:

1. Public confidence.
2. Public administration.
3. Transportation.
4. Good harvests.

He regarded public confidence as of outstanding importance; and on this heading, he considered that two important elements in restoring or improving public confidence had been

1. The making available of gold by the United States.
2. The encouraging news of the progress of the war.

He repeated again that the action of the United States in making the "gold loan" available to China had been the most important factor

\textsuperscript{79} Copy transmitted to the Department by the Ambassador in China in his despatch No. 7758, November 1; received November 18.

\textsuperscript{80} Signed at Moscow, October 30, 1943, Department of State Bulletin, November 6, 1943, p. 308.
in restoring confidence; and he wished that I would let this be known to Secretary Morgenthau. He said that he also thought that if some publicity could be given in the United States to the fact that gold had been made available to China, the resulting publicity in China would have a beneficial effect in further strengthening public confidence. He said that the improvement in public confidence was reflected in a greater stabilization of the prices of necessities which had recently been noted. (Note: At a recent press conference the Government spokesman told foreign correspondents that there has been a stabilization in the price of rice, cotton yarn and cotton cloth, and even a slight decrease—very slight indeed, but nevertheless a decrease—in the price of coal. CEG).

4. The End of the War. In response to my comment that I hoped that this improvement in the situation would continue, the Generalissimo said that he thought it would and that the end of the war is in sight. He said that he thought another year would see the principal battles fought and won; then perhaps it might take a little time to mop up and complete the picture.

The balance of the conversation was more personal—my health, the new Embassy quarters on the north bank, et cetera. \(^\text{82}\)

C. E. GAUSS

893.00/15181

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

No. 1764

CHUNGKING, November 2, 1943.

[Received November 18.]

Sir: I have the honor to enclose a copy of despatch No. 63 of September 15, 1943, from the Secretary on detail at Sian \(^\text{83}\) in regard to the military strength of the Chinese Communist forces.

Summary. According to civil and military sources at Sian, the regular military forces of the Chinese Communists, incorporated in the 18th Group Army under General Chu Teh, total about 200,000 men. They are said to be well trained, well led, well disciplined, experienced and hardy and with good fighting spirit. There is little or no illiteracy among them. About 30,000 of these troops are stationed in the Shensi-Kansu-Ningsia Border Region under Generals Lin Piao and Ho Lung while the remainder are scattered through Hopei, Chahar, Shantung, north Honan, Anhui and north Kiangsu. Guerrilla units numbering about 300,000 engage in activities within or near Japanese-occupied areas but their training, leadership and equipment is inferior.

\(^{82}\) The Counselor of Embassy also had a conversation with Generalissimo Chiang, who expressed interest in pending efforts of the American Congress to repeal exclusion laws; for correspondence on the latter subject, see pp. 769 ff.

\(^{83}\) Not printed.
to that of the regular troops. Local militia units, with practically no real military training or equipment, are found throughout north China.

Military equipment is old and worn and not uniform and has been generally acquired from the Japanese or National Government forces. The Communists are estimated to have more than 200,000 rifles of various kinds and a few thousand machine guns but very little artillery or ammunition for such guns and no tanks or airplanes. They are able to manufacture a few rifles, machine guns, hand grenades and ammunition.

In spite of their weakness in matériel, the Communists have managed to maintain their footholds in north China where the mountainous terrain, with practically no modern means of communications, gives them great advantages. Military officials at Sian tend to make light of Communist military strength and apparently believe that the Central Government could easily and quickly liquidate the Communist forces in the north Shensi area. *End of Summary.*

Chinese Communist sources at Chungking assert an “official figure” of 500,000 Communist regulars divided between the 18th Group Army and the new Fourth Army, the latter commanded by General Chen I with headquarters in north Kiangsu. They also state that there are an additional 2,000,000 guerrilla and partisan units half of which have military weapons of some kind. They describe Communist equipment as consisting of rifles, light machine guns, mortars and hand grenades. The partisans are said to be equipped chiefly with spears and knives.

Chinese Communists at Chungking seem reluctant to give definitive figures for their armed strength and state that the totals given are the “official figures”. It is believed, therefore, that the actual military strength of the Communist forces lies somewhere between the figures obtained by Mr. Drumright from Central Government sources in Sian and those alleged by the Communists at Chungking.

Respectfully yours,

C. E. GAUSS

893.00/15198

The Consul at Kweilin (Ringwall) to the Ambassador in China (Gauss) 64

[Extracts]

No. 85

KWEILIN, November 5, 1943.

Sir: I have the honor to submit hereunder a report on General Hsueh Yueh, the chairman of the Hunan Provincial Government, and of various phases of his military and civil administration. The information and statements contained in this report are based entirely on

64 Copy transmitted to the Department by the Ambassador in China in his despatch No. 1828, November 18; received December 10.
personal conversations with a variety of British, Chinese and American officials, businessmen, physicians, missionaries, and Chinese smugglers during the writer's recent brief visit to Changsha.

Summary: During the five-year term of office of General Hsueh Yueh as Chairman of the Hunan Provincial Government, he has shown little military or administrative ability. He has made little effort to impede the three relatively peaceful Japanese occupations of Changsha, and for the past year-and-a-half his troops seem to have maintained some sort of an understanding with the Japanese to live in peace with one another. There is a free exchange of rice from Hunan for salt from Hankow, and a substantial trade in raw materials from Hunan to Hankow in exchange for manufactured articles from Hankow, Shanghai and other centers under Japanese control is being carried on. Considerable friction exists between the Hunanese and the to them alien Cantonese administration foisted on them by General Hsueh Yueh whose chief advisers and subordinates are mainly from his native province of Kwangtung. There is a marked tendency to place all industrial enterprises under Government control much to the resentment of the individual Hunanese businessman. American citizens generally have received reasonable cooperation from local Chinese officials, and the fine work of the American air force in Hunan is on the whole appreciated. However, there is a strong anti-British sentiment prevalent throughout the administration. Soviet Russian advisers continue to train troops of the Ninth War Area Command.

As far as this Consul is aware, Hunan is the only province in Kuomintang-dominated China in which Soviet Russian advisers are still engaged. There is an undetermined number of Russian military advisers stationed to the north of Changsha. They hold themselves completely aloof from other foreigners, and converse with Chinese only through interpreters. There is a report which this office has been unable to confirm that Soviet-trained Chinese artillerymen were largely responsible for the discomfort of the Japanese during their retirement from the Enshih area last summer.

Respectfully yours,

ARThUR R. RINGWALT

893.00/15196

The Consul at Kwellin (Ringwalt) to the Ambassador in China (Gouss) 85

No. 87

KWEllIN, November 6, 1943.

Sir: I have the honor to report that the November 2, 1943 issue of the Kwellin Sao Tang Pao, generally understood to represent the military clique, contained a news item to the effect that, with the war turn-

85 Copy transmitted to the Department by the Ambassador in his despatch No. 1830, November 18; received December 10.
ing in the favor of the United Nations and with victory in sight, the Chinese Government had begun to plan for the recovery of the lost provinces in northeastern China and for the strengthening of the political organization in these provinces. In this connection, it may be of interest to note the activities and opinions of a group of Manchurian nationalists, headed by the well-known publicist, Mr. Chou Ching-wen, who, as a personal friend and devoted follower of General Chang Hsueh-liang, has been working tirelessly, if unobtrusively, for the restoration of the Young Marshal to a position of predominance in the northeastern Provinces.

Summary: The Sian Incident of December 12, 1936, led to the cessation of civil war and the adoption of a policy of resistance to Japan. However, General Chang Hsueh-liang, who engineered the Incident, was courtmartialed and subsequently placed under the control of the Military Council. He is now being detained in a village near Kweiyang where he is leading a quiet and studious life. The Young Marshal’s friends are doing everything in their power to have him released. They feel that he enjoys a popularity in China second only to the Generalissimo and that a man of his abilities should be allowed to organize resistance in the northeast where his followers are awaiting a signal from him. Because of its vast resources, its advanced state of industrial development, and its important geographical location between Russia, Japan and China, Manchuria will inevitably play an important part in the future of the Far East. There are four candidates for the role of administrator of this territory: (1) Administrators appointed by Chungking, (2) The revolutionary army now in Manchuria, (3) The Communist forces now in North China, and (4) General Chang Hsueh-liang. According to the Young Marshal’s supporters, his return to Manchuria would be the only logical and fair solution. As a Manchurian, he would be welcomed by his people who remain loyal to him, and who feel they have cause to be suspicious of the motives of the administration in Chungking. The Communists and the Soviet Government would be more inclined to trust him than they would representatives appointed by Chungking. The revolutionary army could be readily won over to his leadership. Finally, he and his followers are committed to policies and principles which are in keeping with those of the United Nations.

It will be recalled that, on December 12, 1936, the Young Marshal engineered the now famous Sian Incident, whereby he placed under detention Generalissimo Chiang Kai-shek at the time of the latter’s visit to Sian; and that the Generalissimo was released only after having promised to (1) reject his policy of fratricidal and fruitless warfare against the Communists for one of active military resistance

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88 Successor to his father, Marshal Chang Tso-lin, as Governor-General of Manchuria in June 1928; former Vice Commander in Chief of the Chinese National Army, Navy, and Air Forces and Commander in Chief of the Northeastern Frontier defense forces until December 1931; later Vice Commander in Chief of bandit suppression forces in northwest China until December 1936.
against Japanese aggression, (2) institute a democratic form of government, and (3) release political prisoners.

[Here follows detailed report based on views of Chang’s adherents.]

There is a wide-spread belief that the Chinese Communist Party and troops intend to enter Manchuria whenever an opportunity presents itself, and the Soviet Government would doubtless welcome and support them. Such a development would, however, meet with strong opposition from the Manchurian people, and there would doubtless be a recurrence of civil war. If the Chinese Communists were to obtain the ascendancy in Manchuria they would be able to establish a strong liaison with Soviet Russia, and the Communist problem in China would prove even more difficult of solution than it is at present. Any effort on the part of the Central Government forcibly to remove the Communist elements from Manchuria would be foredoomed to failure and might invite Japanese intervention or even open hostilities between China and Russia.

If the Young Marshal and his followers were authorized to take over control of Manchuria, the situation would be entirely different. He would be welcomed by the Manchurian people and he would have little difficulty in obtaining the allegiance of the revolutionary army in Manchuria. A genuine Manchurian administration would be far less inclined to create friction with Soviet Russia than one controlled by the subordinates of Chiang Kai-shek. The New Force is committed to international cooperation externally and popular welfare and freedom internally. These policies would not only satisfy the demands of the Manchurian people after their liberation, but would also be in keeping with the express convictions of the United Nations.

Respectfully yours,

ARTHUR R. RINGWALT

740.0011 Pacific War/3532: Telegram

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

CHUNGKING, November 9, 1943—10 p. m.

[Received November 9—9 a. m.]

2115. Our despatch 1731, October 25, reported withdrawal Yu Hsueh-chung’s troops from Shantung to N. W. Anhui and their replacement by two group armies under immediate command Tang En-po. Military Attaché believes withdrawals (Embassy’s 2044, October 30) are result of defeat by Japs and of difficulty of supplying troops those areas and that replacements can have refused to proceed to Shantung. Chungking authorities are reportedly seriously concerned over spread of Communist control in North China (our 1722, *Not printed.*
September 15). Communists at Chungking charge Central Government with encouraging defections of Chungking troops to Japs with view to solving supply problem and to ensuring presence of puppet troops friendly to Chungking who would provide opposition to Communists now and at time of Jap withdrawal from North China. This circumstance may also partially explain withdrawals and failure to send replacements.

Military Attaché is of opinion that Central Government troops in Honan total probably less than half million.

This is reply to Department's 1578, November 4 [3], 10 p. m.89

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Gauss

893.00/15173 : Telegram

The Ambassador in China (Gauss) to the Secretary of State90

CHUNGKING, November 11, 1943—10 a. m.
[Received 11:57 a. m.]

2132. 1. Rice at Lanchow in despatch October 30 after return from Ninghsia reports as follows:

Ninghsia chairman states clash between Ninghsia and Communist forces occurred October 12 and expresses opinion Kmt-Communist differences cannot be settled by negotiation. Provincial officials fear Communist occupation parts Ninghsia and Kansu, state Ninghsia Mongols see Soviet planes flying to and from Yenan and express strong suspicion of Soviet Russia. Since conference military leaders at Chungking during the session in September, chairman has been busy with defense preparations and large garrisons are stationed in Ninghsia and Kansu to prevent extension Communist area. Exactions these troops burden local people and cause unrest favorable to extension Communist influence.

2. Increase Chungking troops in northwest apparently reflects suspicion Soviets and at present appears intended to prevent extension Communist area as well as possible land communication between Chinese Communist[s] and Soviets rather than for attack on Communists.

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Gauss

89 Not printed; it requested “interpretative comment” with respect to the contents of Ambassador Gauss’ telegram No. 2044, October 30, 2 p. m., p. 370.

90 The Department transmitted a paraphrase of this telegram to the Ambassador in the Soviet Union (Harriman) in airmgram No. A-32, November 13, 6 p. m., with the added comment that “several reports received during recent months and statements made by some high Chinese officials have suggested that there is not likely to occur in the near future an authorized armed conflict between government armed forces and the Communists.”
The Ambassador in China (Gauss) to the Secretary of State

No. 1827  
CHUNGKING, November 17, 1943.
[Received December 10.]

Sir: Referring to the Embassy’s despatch no. 1675 of October 14, 1943, in regard to Kuomintang-Communist relations, I have the honor to enclose a copy of an editorial from the Liberation Daily (Communist newspaper published at Yenan) of October 6, 1943, together with a digest of the editorial, commenting on the 11th Plenary Session of the Central Executive Committee of the Kuomintang and the 2nd Session of the Third People’s Political Council, both of which were held in September 1943. The English translation of this editorial was received from Communist representatives at Chungking.

Summary of Editorial: Realizing that the United Nations’ strategy prevents the realization of Kuomintang aims to have Soviet Russia weakened through a Japanese attack or through American and British transfer of their full strength to the Pacific, leaving Russia to fight alone, the Kuomintang has three possible courses of action: (1) to surrender to the Japanese; (2) to delay the fundamental solution of the Communist problem while preparing for civil war; and (3) to alter its political direction. The first course is advocated by defeatists who wish to surrender to Japan and initiate civil war; thinking the Kuomintang armies can easily defeat the Communists. The second course is that favored by those who camouflage their real intentions of destroying the Communists by emphasizing the C.E.C. and P.P.C. resolutions on constitutional government and the solution of the Communist problem by political means. The third course is favored by some Kuomintang members, by the Communist Party and by all the people, for it means a just solution of the Communist problem, the abolition of the fascist dictatorship and the establishment of a democratic form of government. Demands are presented to “Mr. Chiang” for continued resistance to Japanese aggression, the cessation of the civil war crisis and the anti-Communist movement, the withdrawal of the Chungking troops now blockading the Communist areas, the abolition of one party dictatorship and the secret service organs, the calling of the national congress prior to the end of the war and freedom of speech, assembly and organization. End of Summary.

This editorial is believed to represent the “official” views of the Chinese Communist Party and its tone is a continuation of the critical and unyielding attitude of most of the articles written by Communist Party members during recent months which have been received by the Embassy. One Chinese Communist stated recently that an agreement had been reached between the Communists and Dr. Wang Shih-chieh, acting for the Kuomintang, for a cessation of the bitter propaganda campaign which has been conducted by the two parties during the

past few months (Embassy’s despatch no. 1651 of October 6, 1943). While there has not yet been any direct evidence of such an agreement, there has been a cessation of articles in the local Government-controlled press enumerating the “Communist crimes,” a large number of which appeared in September. 

The statement in regard to the Communist problem made by the newly appointed Minister of Information, Liang Han-tsaо, at his first press conference (Embassy’s telegram no. 1995, October 21) was not published in the vernacular press although it was carried by the Central News Agency English Service. When questioned at a later press conference as to the reason for the failure of the Chinese press to publish the statement (all other statements made by the Minister at this press conference were published in the Chinese press), the Minister said that it was unnecessary to publish such a statement for Chinese consumption as informed Chinese are fully aware of the true situation in regard to the Communist problem. The Foreign Office spokesman at this conference added that it was necessary to let foreign countries know the real situation. Apparently the Kuomintang is endeavoring to play down the possibilities of civil war and the seriousness of the situation in order to reassure foreign observers, and a cessation of the propaganda campaign would be consistent with that policy.

Respectfully yours,

C. E. GAUSS

761.38/1740: Telegram

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

CHUNGKING, November 18, 1943—2 p. m.

[Received 3:15 p. m.]

2189. Consul [at] Tihwa reported November 11 following information from Foreign Affairs delegate:

1. Embassy’s 1935, October 13, agreement for transfer to the Chinese of Soviet installation Hami signed and implemented. Last detachment of Soviet troops withdrawn October 29 and has entered U.S.S.R.

2. Soviet planes have been removed from Toutungho (Embassy’s 1939, October 20), but 100 odd Soviet troops remain there and about same number [at] Tushan as property guard without Chinese objection.

3. Chinese are negotiating for purchase of Tushan installation on basis of Soviet’s leaving pipes in ground and structures intact (altho most pipe stocks, machinery and other equipment already taken away,

*Augustus S. Chase of the Division of Far Eastern Affairs in a memorandum dated December 30 commented on the “evidence—encouraging if true—that the Kuomintang and Communists may have reached an agreement to cease their bitter propaganda campaign.” (803.00/15199)
removal of pipes from ground not yet begun). Immediate cause of Soviet withdrawal from Tushan (Embassy's 1952, October 4, second paragraph) was disagreement over question whether control should be shared 50-50 (Soviet view) or 51 Chinese, 49 Soviet (Chinese view). By previous arrangement chief engineer was Soviet and director Chinese. Clubb states enterprise was evidently on 50 control and profit taking basis and that remaining joint Sino-Soviet enterprise in Sinkiang (Hami-[Alma?]Ata airline, believed operating on essentially the same basis as Tushan was) seems not yet to have been challenged.

4. In reply to foreign delegate's démarche on November 10th looking toward restoration Sinkiang-Soviet trade relations, Soviet Consul General indicated no possibilities of such trade at present. Sinkiang obtaining 8,000 tires from Indian Government and proposes to supply India with some silk and 150 tons raisins, this constituting a renewal of trade relations broken off several years ago.

Gauss

893.00/15197

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

No. 1829

CHUNGKING, November 18, 1943.

[Received December 10.]

SIR: I have the honor to enclose a copy of airgram A-20, November 9, 12 noon, from the Consul at Kweilin in regard to the reported activities of Marshal Li Chi-shen, Chairman of the Kweilin Office of the National Military Council, in arranging for an understanding between various military commanders in southeast China and with a similar group in the southwest.

Summary. Mr. Ringwalt states that according to reliable information Marshal Li is unobtrusively working to arrange for an understanding between various military commanders in south China for a plan of concerted action in the event of a collapse of Chungking authority either from internal or external causes. He is said to have reached an informal agreement with a group which includes General Yu Han-mou, General Chang Fa-kuei and General Hsueh Yueh, Commanders of the 7th, 4th and 9th War Zones, respectively, and to be negotiating with a similar group in the southwest under the sponsorship of General Lung Yun, Chairman of the Yunnan Provincial Government, who has brought into line a number of the Szechuan militarists. Mr. Ringwalt adds that the negotiations are in no sense a separatist movement but are designed to ensure unity in south and west China and continued resistance to Japan if Chungking authority should collapse. The negotiations are proceeding, so far as is possible, without the knowledge of the Central Government which would be expected to oppose such action if it dared. End of Summary.

*Not printed.*
It is believed that the above-described activities are of a pattern with the activities of puppet representatives, such as those described in the Embassy’s despatch No. 1682 of October 15. The various factions in China, including the puppets, are looking to their post-war position. While these negotiations reportedly being conducted by Marshal Li may not point to a separatist movement as long as the Chungking Government maintains its authority, the southeastern and southwestern military leaders are sufficiently astute to realize that there are still “unreconstructed” elements on the Chinese scene and that a Kuomintang attempt to force a military solution of the Communist problem after the war may bring about new alignments and possibilities for which they must make advance preparation. It is difficult to believe that the negotiations have as their aim the assurance of unity in the south and in the west merely in order to ensure continued resistance to the Japanese, especially in view of the inclusion in the group of such figures as General Yu Han-mou, General Lung Yun and the Szechuan militarists, none of whom has made any notable contribution toward the defeat of Japan. General Yu’s defense of Canton against Japanese attack was completely ineffectual and General Lung and the Szechuan generals have given to the Central Government in the war against Japan only such assistance and cooperation as was absolutely necessary and unavoidable.

Marshal Li has a record of opposition to the Kuomintang, having been relieved of his posts in 1928 and detained in Nanking during 1928–29 because of his connection with the revolt of the Kwangsi faction against the Nationalist Government. After being pardoned in 1931, he was again relieved of his posts and expelled from the Kuomintang following his implication in the Fukien independence movement in 1933–34. In 1938, however, after the outbreak of Sino-Japanese hostilities, he was made a member of the National Military Council and in 1941 was appointed head of the Generalissimo’s Headquarters at Kweilin for the five provinces of Fukien, Kiangsi, Kwangtung, Kwangsi and Hunan. Marshal Li is said by informed observers to have very little actual power in Kwangsi (which is believed to be largely under the control of General Li Tsung-jen) or in the other provinces under his headquarters but to have considerable prestige in China through his reputation for honesty and patriotism. Among the officers who served under Marshal Li when he was Chief of Staff of the First Kwangtung Army in 1921 are numbered such prominent figures as Generals Tsai Ting-kai, Chen Cheng, Yu Han-mou, Hsueh Yueh and Chang Fa-kuei. One of General Li Tsung-jen’s close associates is reported to have said that if anything happened to the Generalissimo his place would be taken by Marshal Li and General Chen

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44 Not printed.
Cheng, Commander-in-Chief of the Chinese Expeditionary Army—Li because of his standing and prestige and lack of undue ambition and Chen because of his position as the outstanding “coming” military figure in China.

It is not believed that these reported negotiations have any serious implications at present but, if the report is accurate, they would indicate that doubt exists in some quarters in regard to the continued stability and authority of the Central Government in the long-range future.

Respectfully yours,

C. E. GAUSS

803.00/15203

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

No. 1842 CHUNGKING, November 20, 1943. [Received December 10.]

Sir: Referring to the Embassy’s despatch No. 1764 of November 2, 1943, in regard to the military strength of the Chinese Communists, I have the honor to enclose a copy of a report dated November 16, 1943, prepared by the Military Attaché in regard to the armed forces of the Chinese Communists.

Summary: Recent transfers of Central Government troops to the Northwest (Embassy’s despatch No. 1807 of November 12) appear to be directly associated with the problem of Kuomintang-Communist relations and can be interpreted as strong evidence that the Central Government does not intend to rely upon “political means” alone as a solution of this problem.

Information regarding the Chinese Communist forces is, therefore, of importance. These forces are divided into three categories: regular military forces, guerrilla forces and local militia. Regular military forces consist of the 18th Group Army under General Chu Teh and the New Fourth Army under General Chen Yi, together with two independent groups, one in Kwangtung and the other on Hainan Island. Although the 18th Group Army is supposed to be composed of three divisions numbering about 30,000 men, it is reported actually to number 320,000. Its headquarters are at Yenan, the capital of the Shensi-Kansu-Ningsia Border Region, the most important of the twelve “regions” north of the Lunghai Railway garrisoned by the 18th Group Army in north China. The New Fourth Army, which ceased officially to exist after its disbandment by the Central Government in 1941, is said to have a strength of 120,000 men in seven divisions and to be better equipped than the 18th Group Army due to its greater activity against the Japanese and the puppets and the consequent capture of matériel from those sources. The New Fourth Army has its headquarters at Yencheng, Kiangsu, and operates in central and east-

* Latter not printed.
** Not printed.
ern China south of the Lung-hai Railway. The Chinese Communists claim to have a navy composed of hundreds of sampans and junks along the Kiangsu coast serving in transportation of supplies. Communists claim a total guerrilla force of 1,000,000 men but it is not believed that the figure exceeds 400,000. Local militia units, said by the Communists to number 1,000,000 men, are estimated at approximately 600,000.

As a composite military force the Chinese Communists are not capable of much, if any, offensive action as their regular units, while well trained and well led, are very poorly armed. The principal arm is the rifle, supplemented by some few automatic rifles, some machine guns, not much artillery (and still less ammunition), no tanks, no planes and a small number of almost worn out trucks. Their strength lies in guerrilla activity.

The present dispositions of the Communist forces, together with their considerable training and leadership, would enable them very easily to move into the north China areas if the Japanese should withdraw, and the movement of Central Government troops toward the Communist areas may be intended to prevent such action. In the event of actual hostilities the Communists could probably muster no more than 600,000 men, a force which would, however, require at least 1,000,000 Central Government troops to oppose them. At present the numerical ratio between the Communists and the Central Government, taking all factors into consideration, can reasonably be placed at 1 to 1, but with the continued receipt of further equipment from China's allies the Central Government's superiority will be vastly increased. At present the problem of Kuomintang-Communist relations is a very serious one which approaches a showdown as the war goes on and the reported Chungking troop concentrations in the Northwest make the situation ominous. *End of Summary.*

Another factor in the Kuomintang-Communist situation which cannot be ignored in the event of a civil war is the possible support the Communists might receive from elements other than those in the present Communist-occupied areas. Potential strength lies in the conditions of the peasants, who comprise about 80 percent of the population. Opposition on the part of the peasants to conscription methods, enforced labor, military requisitions, heavy taxation in kind and official corruption is widespread and during the past year has taken the form of armed revolt in several provinces. Peasants are unorganized, lack leaders and are not politically conscious, but if the internal administration should become chaotic or if the Kuomintang should attack the Communists, the latter will not only be in a position to capitalize on this agrarian discontent but will be certain to endeavor to spread the movement. Central Government measures for dealing with these local revolts have done little more than increase the hostility of the peasants toward the Central Government and have not achieved a fundamental solution of the problem by removing the causes of complaint. It may be said that the economic condition of the country and
the widespread agrarian discontent create fertile ground for Communist propaganda and that strong opposition to civil war is believed to be entertained by almost all Chinese, excepting the more rabid Kuomintang members. These factors do not indicate that a Kuomintang attempt to solve the Communist problem by military force at present would be the easy task envisaged by some of the more rabid anti-Communist elements in the Kuomintang. It is, therefore, disquieting that the Kuomintang should on the one hand announce a “political solution” of the Communist problem (Embassy’s despatch No. 1675 of October 14) and form a committee for the establishment of constitutional government after the war (which, as reported in our despatch no. 1747, October 28, is criticized by the minority parties as being, like the People's Political Council, a Kuomintang dominated organ) and on the other hand continue the movement of additional troops to the Communist areas in the Northwest.  

Respectfully yours, 

C. E. GAUSS

893.00/15207

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

No. 1858

CHUNGKING, November 24, 1943.

[Received December 16.]

SIR: Referring to the Embassy’s despatch no. 1832 of November 18, 1943, in regard to the recently launched Chinese national cultural movement, I have the honor to enclose a copy of a memorandum dated November 19, 1943, prepared by Dr. J. K. Fairbank, IDC representative at Chungking, entitled “The Intellectual Leadership of the Minister of Education”.

Summary. The student movement and the intellectual enthusiasm which existed during the early days of the Sino-Japanese conflict have not only deteriorated but have been actively suppressed. This suppression has apparently arisen from the Kuomintang’s desire to ensure a continuation of its power; and intellectual stultification has been promoted largely by Chen Li-fu, the Minister of Education and a leader of the reactionary CC clique. Kuomintang leaders clearly hold pernicious and antiquated views in regard to the process of intellectual adjustment to the modern world which China must sooner or later make. Examples of these views are shown in writings of Chen Li-fu which call for the revival of Confucianism as the only means

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* Augustus S. Chase of the Division of Chinese Affairs stated in a memorandum dated February 21, 1944, that “The Military Attaché’s report, together with the comments in the Embassy’s covering despatch (no. 1842), probably provides the clearest picture of the Communists’ strength yet received in the Department.”
* Not printed.
* Interdepartmental Committee for the Acquisition of Foreign Publications.
by which the Chinese race can be revived and state that world peace can be achieved only by the reformation of thought through ancient Chinese culture. Other instances of such views are contained in an editorial in the National Herald in which it is stated that the Chinese have developed a basic outlook on life which is a truer one than the pseudo-scientific outlooks which have plagued the western world. Dr. Fairbank observes that these ideas and evaluations are both a source of and a vehicle for atavism, chauvinism and xenophobia and that it is in the American interest that the Department’s cultural relations program lend all legitimate support to the truth as opposed to these ideas. *End of summary.*

Respectfully yours,

C. E. GAUSS

893.00/15208

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

[Extract]

No. 1862

CHUNGKING, November 27, 1943.

[Received December 16.]

Sir: I have the honor to refer to the Embassy’s despatch No. 1829 of November 18, 1943, in regard to the activities of Marshal Li Chi-shen, Chairman of the Kweilin Office of the National Military Council, in endeavoring to arrange an understanding between various Chinese military commanders in southeast and southwest China.

There is now enclosed a copy of despatch No. 145 of November 18, 1943, prepared by Mr. Arthur R. Ringwalt, Consul at Kweilin temporarily detailed to Kunning, regarding criticism of the Central Government by Marshal Li during a mass meeting in celebration of the Soviet National Holiday at Kweilin.

Summary. In the memorandum Mr. Ringwalt states that the mass meeting at Kweilin on the occasion of the Soviet National Holiday, attended by over 1,500 people, was quite spontaneous and without official support. Marshal Li addressing the meeting informally compared the progress made during the Soviet revolution and that during the Chinese revolution and ascribed China’s relative backwardness to corruption, incompetence and defeatism and, by implication, to its lack of leaders of ability, character and determination. It is pointed out in the despatch that the mass meeting is an indication of the extent of popular Chinese admiration of the Soviet Government and that the criticism offered by Marshal Li represents outspoken criticism of the administration by the ranking Central Government official in south China. This criticism was repeated to Mr. Ringwalt by Marshal Li. *End of Summary.*

Respectfully yours,

C. E. GAUSS

¹ Not printed.
893.00/15221

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

[Extract]

No. 1871

CHUNGKING, November 30, 1943.
[Received December 28.]

Sir: I have the honor to refer to the Embassy's despatch No. 1747 of October 28, 1943, in regard to the formation of the Committee for the Establishment of Constitutional Government under the Supreme National Defense Council and to report further developments in this matter.

Summary. The Committee for the Establishment of Constitutional Government was formally inaugurated on November 12 under the chairmanship of President Chiang Kai-shek who, in an address to the Committee, described its functions as consisting chiefly of making recommendations, investigations and examinations aimed at enabling the Government to carry out "constitutionalism." The Standing Committee at its first meeting adopted by-laws providing for creation of sub-committees for the study of the draft constitution, of matters relating to organs of public opinion and of the enforcement of all laws relating to constitutional government. Government spokesmen and the Party Ministry of Information continued to emphasize the preparations being made by the Kuomintang for constitutional government after the war. Only a few minority party members attended the inaugural meeting of the Committee. It is generally believed that minority party participation in the work of the Committee will not be active, the request of the minority parties for the appointment of certain of their leaders having been refused and the hopes for any real opposition to Kuomintang domination of the Committee having apparently been abandoned. End of Summary.

Respectfully yours,

C. E. GAUSS

893.00/15194: Telegram

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

CHUNGKING, December 7, 1943—4 p.m.
[Received 6:20 p.m.]

2839. In telegram December 3 from Loyang, Drumright reports as follows:

Rumors of further recent clashes between Chungking and Communist troops Northern Shensi denied by Vice Chief Staff [at] Loyang who states Communists have recently reinforced their troops in that sector. He categorically denies Chungking intends attacking
Communists at present. While admitting Communists have formed in North China barrier against northward advance of Chungking troops, he states puppet troops in the North under Chi Hsieh-yuan (Peiping régime) and those in Kifeng region under Chang Lan-feng (Nanking régime) will be used by Chungking to oppose Communists. If Chungking-Communist clash should occur, he said, certain Communist [puppet?] units would support Central Government.

Gauss

888.00/15214: Telegram

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

[Extracts]

CHUNGKING, December 10, 1943—2 p. m.

[Received 4:25 p. m.]

2870. Since the return of T. V. Soong early in October there have been persistent reports from varied sources that serious difficulties have arisen between him and the Generalissimo and that there has been in progress a violent family row... The general tenor of the reports is that Soong incurred Chiang's anger by making decisions in Washington without prior reference to the Generalissimo (the giving of China's agreement to the Italian Armistice terms is reportedly one instance); that while at Delhi en route he repeated this error in agreeing to some jurisdictional proposals of Mountbatten which are said to be still at issue; that, during his first talk with the Generalissimo, Soong made the breach irreparable by losing his own temper in the face of Chiang's violent dressing down; that some Chinese returning from the United States poisoned Chiang's mind against Soong with stories of the latter's alleged personal financial transactions...

It has been obvious from Soong's actions that there has been something radically wrong. Upon his return to Chungking, he immediately went almost into retirement socially and officially, transacting only necessary business with foreign diplomatic representatives at his residence and repairing frequently to the hills. Unusual delays were (and still are) encountered in matters requiring his attention and matters which would ordinarily receive ready reply (such as question of adherence of Colombia to United Nations Declaration) have had to wait "decision by the Generalissimo". It was reliably reported that Soong was rudely shut out of the room when Chiang conferred with Mountbatten and he did not accompany the Chiungs to Cairo.

About a month ago it was widely reported that the difficulties had been smoothed out but recent stories from a number of sources indi-

*Admiral Lord Louis Mountbatten, Supreme Allied Commander, Southeast Asia.
cate that the situation has not improved and Soong is obviously not his usual self. That the hostility between him and Kung has never been resolved is doubtless an additional disruptive factor in the situation.

Gauss

893.00/15205: Telegram

The Ambassador in the Soviet Union (Harriman) to the Secretary of State

Moscow, December 11, 1943—1 p.m.
[Received December 12—7:55 a.m.]

2195. During the course of a conversation on December 10 with Liu, Counselor of the Chinese Embassy here, Liu told Hamilton that there had been no recent developments in relations between the Chinese Government and the Chinese Communists. Liu stated definitely that there was no air communication between the Chinese Communists and the Soviet Union; that if Soviet planes flew into Yenan the Chinese Government would certainly know it; that several times a year Soviet planes in addition to planes operated to Hami on the regular route made flights into Chinese territory but in such cases by advance arrangement with the Chinese Government. Foregoing bears on statement in Chungking’s telegram of November 11, substance of which was communicated to Moscow in Department’s confidential airgram A–32, November 13.

Repeated to Chungking.

Harriman

761.38/1742

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

No. 1906

Chungking, December 14, 1943.
[Received December 31.]

Sir: I have the honor to enclose a copy of despatch No. 50, October 23, 1943, from the Consul at Tihwa, with which is transmitted a translation of an article entitled “A Survey of Future Sino-Soviet Relations” by Mr. Chaucer H. Wu, Special Delegate for Foreign Affairs at Tihwa, which appeared in the Sinkiang Jih Pao of October 10, 1943. In this article Mr. Wu emphasizes China’s and Russia’s joint responsibility for the “surveillance” of Japan and maintenance

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*Maxwell M. Hamilton, Counselor of Embassy in the Soviet Union.

*See footnote 90, p. 377.

*Neither printed.
of peace in the Far East, the long common boundary between China and Russia, and the strong economic ties between the two countries. He closes with a plea for the “development of still more intimate friendship” between the two countries.

In his transmitting despatch Mr. Clubb states that it is to be expected that the Chinese will attempt, especially if the Burma road is not soon reopened, to repair the damage previously done to Sino-Soviet relationships through Chinese ineptness with a view to (1) obtaining actual material aid and (2) stimulating other United Nations to increase their aid to China in the assumed fear that Soviet Russian influence might gain an ascendency in China. Mr. Clubb also states that Special Delegate Wu informed him (1) that he intends to endeavor to resuscitate the Tihwa Sino-Soviet Cultural Association and (2) that China was informed by Mr. Molotov about a year and a half ago that as soon as the Japanese threat to Outer Mongolia had passed and China had improved its policy of dealing with the Mongols, the Soviet Union would offer no objection to the reassertion of Chinese sovereignty over Outer Mongolia.

Although the Embassy considers Mr. Clubb’s views reasonable, there has as yet not been noted in Chungking any substantial evidence of an effort to improve Sino-Soviet relations.

Respectfully yours,

C. E. GAUSS

S93.00/18223

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

No. 1937

CHUNGKING, December 21, 1943.

[Received January 7, 1944.]

Sir: I have the honor to refer to the Embassy’s despatch No. 1580, September 16, 1943, in regard to Sino-Soviet relations in Sinkiang and to enclose copies of further despatches from the Consul at Tihwa on this subject as follows: Nos. 59, November 1, 1943; 73, December 9, 1943; and 74 and 75, December 10, 1943.

Summary. The Special Delegate for Foreign Affairs, Mr. Chaucer H. Wu, informed Mr. Clubb in October that reported Kazak uprisings in the Altai region (Embassy’s telegram 1982, October 20, 9 a.m.) involved some 5,000 rebels, but on December 10 he stated that there were only some 400 originally involved of whom there then remained approximately 100 to be rounded up. On October 16 Mr. Wu stated that he had been having “much trouble” with incidents on the Soviet border involving Russian “ronin”. On December 10 Mr. Wu informed Mr. Clubb in confidence that the Soviets had concentrated an important military force on the border near the pass leading.

* Not printed.
† Enclosures not printed.
to Kashgar, but he admitted at the same time that the previously reported Kirghiz unrest in the Kashgar area had died down. Early in December relations between Mr. Wu’s office and the Soviet Consulate General were reported to be strained over negotiations in regard to the arrest by local authorities of certain persons which the Soviet authorities asserted to be Soviet citizens. On December 3 Provincial Chairman Sheng Shih-ts’ai informed Mr. Clubb that present plans do not call for establishment of heavy industry in Sinkiang because of the province’s proximity to the Soviet Union. Some Chinese in Sinkiang appear to believe that after the present war China will be forced to fight Soviet Russia in order to regain control of Outer Mongolia. End of Summary.

A reading of the enclosed despatches leaves the impression that there is rather widespread apprehension in Sinkiang over the future of Sino-Soviet relations, a feeling which has also been reported in the Lanchow area (Embassy’s despatch No. 1807, November 12, 1943)* and which was recently expressed in rather vague terms by General Yang Chieh, former Chinese Ambassador to Russia, in conversation with an officer of the Embassy.

Special Delegate Wu, while avoiding direct accusations, appears to have done his best to suggest to Mr. Clubb that the Soviets are engaged in various activities designed to keep their relations with Sinkiang strained and to throw that province into a new political turmoil. Mr. Clubb states that he views Mr. Wu’s reports on this subject with extreme reserve.

Respectfully yours,

C. E. GAUSS

883.00/15228

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

CHUNGKING, December 22, 1943.

[Received January 12, 1944.]

Sir: Referring to the Embassy’s despatch no. 1862 of November 27, 1943, in regard to the activities of Marshal Li Chi-shen, head of the Kweilin office of the Military Affairs Commission, I have the honor to enclose a copy of airgram no. A-23, December 2, 6 p. m., from the Consulate at Kweilin * regarding the possible appointment of Marshal Li to a post at Chungking.

Summary. Mr. Service states that it has been reliably reported at Kweilin that Marshal Li has been offered a post at Chungking by General Chiang Kai-shek but that it is believed that Marshal Li has no intention of accepting such an appointment. He will perhaps go

* Not printed.
into "retirement" in Kwangsi from which he can emerge in the event of a military crisis in south China. It is also reported that the Kweilin office of the Military Affairs Commission, of which Marshal Li is the head, will be reorganized or abolished in the near future. Related to the question of the status of this office are rumors that General Pai Chung-hsi, Deputy Chief of Staff, is soon to be appointed to an important military post in south China. End of Summary.

While the Embassy has been unable to obtain at Chungking any confirmation of the reported activities of Marshal Li looking toward an agreement between certain Chinese military commanders in south and southwest China (Embassy's despatch no. 1829 of November 18), the above-mentioned reports of offers by General Chiang to Marshal Li of a post at Chungking, of the abolishment of the Kweilin office headed by Marshal Li (confirmed by the Military Attaché) and of the appointment of General Pai to a post in south China may bear some connection with those reported activities. Marshal Li is reliably reported to have refused on numerous occasions to carry out Chungking orders to arrest Chinese liberals at Kweilin suspected of being critical of the Kuomintang and his outspoken criticism of the Central Government during his recent address at Kweilin (Embassy's despatch under reference) cannot have passed unnoticed by the Chungking leaders.

Respectfully yours,

C. E. Gauss

740.0011 Pacific War/3673

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

No. 1957

CHUNGKING, December 24, 1943.
[Received January 21, 1944.]

Sir: Referring to the Department's telegram no. 1584, November 4, 7 p.m. requesting the Embassy to obtain more complete information in regard to the "labor camp" at Sian and also information regarding similar organizations elsewhere in China, I have the honor to enclose: (a) copy of despatch no. 144 of November 17, 1943, from the Consulate General at Kunming; (b) copy of despatch no. 21 of November 19 from the Secretary on detail at Lanchow; and (c) copy of a memorandum, prepared by the Embassy, based on despatch no. 92 of December 19 from the Consulate at Kweilin, in regard to this subject.

Summary. Mr. Ludden reports that preliminary inquiries fail to reveal the existence of youth labor camps in Yunnan. Informed sources, however, mention such camps in Enshih, Hupeh, under the direction of the Kuomintang and in or near Taiho, Kiangsi.

* Not printed.
* Enclosures not printed.
Mr. Rice states that the inmates of the labor camp at Sian have at times numbered 2,000 but that at present the total is between 700 and 800, most of whom are young and about five per cent of whom are girls. The inmates are said to include Y. M. C. A. secretaries and other Chinese who are not actually radicals but are suspected of being liberals. He states that there has been comparatively little student radicalism in Chinghail, Ninghsia and Kansu Provinces and that in Ninghsia occasional radical students are reportedly imprisoned or shot.

Mr. Service reports that according to reliable information “thought correction” camps exist in at least nine provinces in Kuomintang China. The camps are operated by agents trained by the Central Kuomintang Headquarters and are nominally under the direction of Provincial Tangpu (Party) organizations. Prisoners are questioned by intelligent and well-trained interrogators and while torture is practised it is probable that prisoners are held primarily in order to prevent their communicating their suspected communist convictions to others. Food is said to be poor, reading material is limited to Kuomintang publications and visitors are seldom admitted. Those fortunate enough to be released are threatened with death should they divulge information regarding these camps. Interrogation of one reliable informant, recently an inmate of one such camp, included exhaustive inquiries regarding his relations with Americans and other foreigners. End of Summary.

The Embassy has been reliably informed of the existence of two such camps in the vicinity of Chungking (one near Chingmukuan, 70 li from the city and perhaps the camp mentioned in the enclosed memorandum as being at Hsinkaiishih under the direction of the notorious General Tai Li, and the other in the hills across the Yangtze River from Chungking under the direction of the Chungking Garrison Headquarters). The inmates of both of these camps are said to be held in caves which abound in this region and those who may be released after one or two years of detention are reportedly usually broken both in body and in mind. One reliable Chinese informant states that a Chinese woman teacher in a middle school at Tzeliusin, Szechuan, who was arrested by the Party secret police and brought to the headquarters of the Central Training Corps at Chungking for questioning, became completely insane after two days of grilling. This allegedly innocent victim was then returned to her home at Tzeliusin without any explanation being given to her family of the circumstances surrounding her arrest or consequent insanity.

The power and influence of the secret police under General Tai Li and of the Kuomintang secret police are such that youth of known radical inclinations are perhaps more apt to be imprisoned or shot outright than to be sent to a camp for “reformation.” Apparently those sent to the camps are for the most part persons who are merely suspected of “incorrect thinking” and who may thus be “cured” thereof as well as serve as an example to others who might be inclined to such
beliefs. These camps are evidently a refinement of the Kuomintang, as the Consul at Tihwa states that so far as he is aware such camps do not exist in Sinkiang and that imprisonment is the punishment widely given to those guilty of unorthodox thinking in that province. Additional indications of the Kuomintang inspiration behind these camps is seen in the reported lack of such camps in those provinces where Kuomintang power is least, such as Yunnan, Sikang, Chinghai, Ninghsia, Suiyuan and Kansu.

As Mr. Service's despatch on this subject named in several places the source of his information, the Embassy has prepared the enclosed memorandum based on his despatch and omitting any reference which might indicate the identity of the informant. Mr. Service and the Consulate General at Kunming are being instructed to destroy their copies of Kweilin's despatch, as is being done by the Embassy. The Embassy believes that Mr. Service should be commended for his initiative in obtaining such detailed information in regard to the existence of labor camps in China and for the preparation of the despatch reporting that information, which is of considerable interest as depicting a phase of the scene in China about which little has heretofore been known.

Respectfully yours, 

C. E. GAUSS

761.98/1744

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

No. 1962

CHUNGKING, December 27, 1943.
[Received January 12, 1944.]

Sir: I have the honor to refer to the Embassy's despatch No. 1929, December 20, 1943,11 entitled "Political Developments in Sinkiang, 1942–43" and to enclose a copy of despatch No. 71, December 3, 1943, from the Consul at Tihwa in regard to Sino-Soviet relations in Sinkiang.

This despatch, which includes an adequate summary of its contents, contains background information on political developments in Sinkiang during the period prior to that covered in Mr. Clubb's despatch No. 60, November 1, 194311 (our despatch under reference). The Embassy has found the enclosed despatch to be of considerable interest and value, and believes that Mr. Clubb deserves commendation for it, more especially as it reflects the extensive knowledge of the political background in Sinkiang which he acquired during the eight months of his station there.

Respectfully yours, 

C. E. GAUSS

11 Not printed.
The Consul at Tihwa (Clubb) to the Ambassador in China (Gauss)

Tihwa, December 3, 1943.

Sir: I have the honor to refer to my despatch No. 60 of November 1, 1943 reviewing political developments in Sinkiang during the period 1942–3, and to enclose in English translation a copy of an article on "The Victory of the Last Six Years’ Policy of the Sinkiang Government of Friendship Toward the Soviet Union" as written by Major-General Li Ying-ch’i, head of the Sinkiang Police Bureau, and published in the magazine Fan Ti Chan Hsien (Anti-Imperialist Front) of November 7, 1939; and to review briefly those aspects of recent Sinkiang history bearing upon the particular matter of the province’s relationships to the U.S.S.R.

Summary: Police Chief Li Ying-ch’i and Defense Commissioner Sheng Shih-ts’ai are in agreement in their pre-Kuomintang-era assertions that the U.S.S.R. had no aggressive designs regarding Sinkiang but contrariwise had extended spiritual and material aid to the province. It appears to be a fact that Sinkiang derived benefit from trade with the U.S.S.R., and from the despatch of Soviet technicians and advisers, the extension of credits, and the occasional granting of military assistance, at a time when all were needed. General Sheng, by the evidence, established himself in power in Sinkiang largely independent from the Kuomintang power at Nanking. In 1934, 1936 and 1937 Soviet Russian military forces in the guise of émigré Russians assisted General Sheng in the suppression of revolts against his rule; and in the year 1937, after both the suppression of that year’s Uighur rebellion and the outbreak of the Sino-Japanese War, Soviet troops went into garrison at Hami, still in the same guise. The Chinese side has stated that the function of the garrison was really to prevent Moslem General Ma Pu-fang’s from linking up with Sinkiang Moslem forces, the Soviet side has stated that its function was with relation to Sino-Japanese hostilities (implication: a Soviet move of self-defense): each side may have had its individual aim, with accord reached on the basis of some tacit understanding reached as early as 1934—with the National Government in the then circumstances perhaps even acquiescing in the arrangement. Soviet Russian "intentions" vis-à-vis Sinkiang during the period of General Sheng’s rule, viewed against the background of world events and Soviet policies of the time, appear to have been in fact non-aggressive as stated by the quoted Chinese leaders. End of Summary.

Respectfully yours,

O. Edmund Clubb

*Not printed.*
The Ambassador in China (Gauss) to the Secretary of State

No. 1966  Chungking, December 27, 1943.
[Received January 12, 1944.]

Sr: I have the honor to enclose a copy of a memorandum dated December 21, 1943, prepared by Second Secretary Clubb, recently on detail as Consul at Tihwa, in regard to prison conditions in Sinkiang.

Summary: As the Sinkiang authorities maintain strict secrecy in regard to prison conditions in that province little detailed information on the subject is available. It is known, however, that of the 200 to 300 émigré Russian army officers in Sinkiang in 1934 all but a handful are now in prison. Large-scale arrests of émigré Russians took place in 1934 and in 1938 and one well informed Russian émigré believes that easily one-half of the adult male émigré population of Sinkiang is now in prison (perhaps as many as 8,500 persons out of the total émigré population of approximately 14,000). One informed Chinese estimated that 25,000 persons were arrested in the 1937-38 period alone. In addition to émigré Russians, many Chinese (even youths of high-school age), members of the Turki, Kazak and other Sinkiang racial groups, members of scientific expeditions, and even British and other European missionaries have served terms in Sinkiang prisons. Prison conditions are described as "medieval" and torture, solitary confinement in rooms without light, etcetera, are common practices. Persons are sentenced to prison by "special courts" sitting in camera and once confined are rarely released. The most important prison center in Sinkiang is Tihwa, where there are said to be between 10 and 15 prisons. End of Summary.

Respectfully yours, C. E. Gauss

893.5018/46: Airgram

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

Chungking, December 29, 1943—3 p.m.
[Received January 11, 1944—4 p.m.]

A-110. Embassy's telegram no. 2039, October 29, 2 p.m. Following is substance of telegram dated December 24 from Drumright at Loyang:

3 Not printed. Mr. Clubb's final paragraph was as follows: "It is suggested that, in the interests of a common humanity, the Department of State might wish to bring to the attention of the Chinese Ambassador at Washington the circumstance that it has received reports of this general nature and that in the opinion of the Department, in the light of China's purported adherence to the democratic principles for which the United Nations are now fighting, it would inevitably react to China's disadvantage should the present reprehensible state of affairs be permitted to continue."

4 Not printed.
Famine conditions in Honan remain approximately as described in my telegram of October 27. There is widespread privation but little actual starvation at present. The most difficult period, however, will be from March until the wheat is harvested in late May. The majority of the refugees come from the flooded region in vicinity of Chengchow and from the area north of the Yellow River where the shortage of food is acute and prices are higher. The authorities are apparently doing little relief work at present; foreign relief organizations are doing excellent work but their efforts are limited by scarcity of funds. After trip through Honan it seems clear that the burden of taxation, various official exactions and transportation difficulties have figured largely in the impoverishment of the people of this province.

Gauss

893.00/15238

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

No. 1979 Chungking, December 31, 1943.

[Received January 21, 1944.]

Sir: Referring to the Embassy’s despatch no. 1827 of November 17, 1943, in regard to Kuomintang-Communist relations, I have the honor to enclose a copy of despatch no. 23 of November 23, 1943, from the Secretary on detail at Lanchow in regard to this subject.

Summary. Mr. Rice states that according to foreign residents of northeast Kansu and Ninghsia additional clashes have occurred recently between Central Government and Communist forces, the latter being charged with attempts to expand the territory under their control. A local source with Communist contacts and sympathies believes that the Ninghsia forces are attempting to establish direct contact with the troops under General Teng Pao-shan at Yulin, north Shensi, which are at present dependent upon the Communist area for supplies. Most of the troops in west Kansu are now concentrated near the eastern end of the Kansu corridor and fortifications are reportedly being constructed in that area to guard against a possible Communist attempt to enter the corridor. Exactions of Chungking troops on the people are blamed by their commanders on the Communists and the people are allegedly told that such conditions will continue until the Communists are eliminated. End of Summary.

There has apparently been no marked change in the situation affecting Kuomintang-Communist relations. In line with the statement by Communist representatives at Chungking that the propaganda campaign of the two parties had by common agreement been abandoned (Embassy’s despatch under reference), the Embassy has not during the past month received any of the publicity material formerly issued by the local Communists. The sole reference to the Communist ques-

Enclosure not printed.
tion by the Chungking authorities was that made by the Kuomintang Minister of Information on December 15 at a press conference when he stated that he had nothing to add to his previous statement on the Communist problem (Embassy's telegram no. 1995, October 21). The Minister described as an "enthusiastic welcome" the reception given to General Teng Pao-shan at Yenan when he passed through the Communist capital recently en route from Chungking to Yulin. He further stated that General Teng "conveyed to the Communist Party and its leaders the benevolent intentions of the National Government" as contained in President Chiang Kai-shek's statement on the Communist problem at the time of the C.E.C. session in September (Embassy's despatch no. 1675, October 14) and cautioned them against being oversensitive. As has been the case with other statements on the Communist question issued by the Kuomintang Ministry of Information (Embassy's despatch under reference), this account of General Teng's journey through Yenan was published only in the English language press at Chungking and did not appear in the Chinese newspapers. Such items are apparently intended for foreign rather than for Chinese consumption and are believed to be part of a quiet campaign on the part of the Kuomintang to build up a picture of Kuomintang conciliation and forbearance in regard to the Communist problem.

One of the Communist representatives recently implied that the Communist Party had now reached the point where it would make no further effort at present to cooperate with the Kuomintang, convinced as it was that the latter party had no intention of making any real effort to solve the questions between them peacefully and feeling that it was now strong enough to stand its ground against possible present Chungking attacks. The close surveillance of the Chinese Communists at Chungking by the secret police continues and this attention to Communist activities apparently includes a careful watch over various other Chinese suspected either of having Communist sympathies or of being critical of the Kuomintang.

Respectfully yours,

C. E. Gauss

The Second Secretary of Embassy in China (Davies) to Mr. Harry Hopkins, Special Assistant to President Roosevelt

[NEW DELHI,] December 31, 1943.

DEAR MR. HOPKINS: Following up the conversations which General Stilwell and I had with you and the President at Cairo, I enclose a memorandum which I hope will be of interest.

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16 Copy obtained from the Franklin D. Roosevelt Library, Hyde Park, N.Y.
From time to time I expect to prepare other brief memoranda on various problems confronting us in East Asia and shall send you copies.

Should you wish to discuss Far Eastern Questions with experts in Washington, I have two names to suggest: John Carter Vincent and Laurence Salisbury. Vincent’s name, I recall, you knew. He is now with FEA. Salisbury is a Japanese language officer, as Bohlen is Russian and I Chinese. He has served in both Japan and China, investigated on special orders from the State Department the Japanese occupation of Manchuria and until a month or two before Pearl Harbor served as political adviser to Sayre in Manila. He has since been Assistant Chief of the Far Eastern Division, handling Japanese and Korean matters.

Sincerely yours,

John Davies, Jr.

[Enclosure]

Memorandum by the Second Secretary of Embassy in China (Davies)

[Extracts]

CHIANG KAI SHEK AND CHINA

Japan’s attack caught China in mid-passage between semi-feudalism and modern statehood. External pressure in the form of Japanese aggression imposed a temporary unity on the various elements struggling to determine whether China was to develop along democratic or authoritarian lines. Public pressure compelled Chiang, who was the strongest of these elements, to become the symbol of a unified national will. The internal conflict was suspended.

This situation continued so long as the Japanese attempted to bring China to its knees by military means. But after the fall of Hankow in 1938 the war entered a period of military stagnation which has continued until now. Japan adopted instead a shrewd policy of political and economic offensives designed to bring about Chinese disintegration and collapse. Confronted with this new Japanese tactic, which promised him some respite at the expense of other Chinese elements, Chiang chose to abandon Chinese unity and retrogressed to his pre-war position as a Chinese militarist seeking to dominate rather than unify and lead.

Because his Kuomintang Government has no popular base, because the centrifugal forces in China are growing under prolonged economic
strain and because the Soviet Union may join the war against Japan and enter Manchuria and North China, the Generalissimo faces next year the gravest crisis of his career.

What form and course the crisis will take is impossible to predict. Certain contributory factors, however, are clear. One is the increasingly independent attitude of the Chinese Communists, who now say that they no longer fear Chungking. "If Chiang wants to commit suicide on us, that suits us." Another is the accelerating economic disintegration. A third is the growing restiveness of certain provincial and military factions. Any one or a combination of these may be sufficient to accomplish Chiang's downfall.

By reversing his policy of sixteen years' standing, reforming the Kuomintang and taking the lead in a genuine united front, Chiang could surely survive the crisis. But the Generalissimo is not only personally incapable of this, he is a hostage of the corrupt forces he manipulates.

In this uncertain situation we should avoid committing ourselves unalterably to Chiang. We should be ready during or after the war to adjust ourselves to possible realignments in China. We should wish, for example, to avoid finding ourselves at the close of the war backing a coalition of Chiang's Kuomintang and the degenerate puppets against a democratic coalition commanding Russian sympathy.

The adoption of a more realistic policy toward Chiang Kai-shek does not mean abandonment of our objectives (1) to capitalize during the war on China's position on the Japanese flank, and (2) to build up after the war a strong and independent China. On the contrary, it will mean that we shall be more likely to achieve these objectives. A realistic policy toward Chiang would be based on (1) recognition by us that the Generalissimo is highly susceptible to firm coordinated American pressure, (2) stern bargaining (in consultation with American representatives in China) and (3) readiness to support a strong new coalition offering cooperation mutually more beneficial to China and the United States.

NEW DELHI, December 31, 1943.