PROBLEMS OF UNITED STATES CONSULATES IN AREAS OCCUPIED BY THE CHINESE COMMUNISTS

I. MUKDEN CONSULATE GENERAL: REPRESENTATIONS BY THE UNITED STATES REGARDING ISOLATION OF CONSULATE GENERAL; DELAYS AND OBSTRUCTIONS TO DEPARTURE OF STAFF AFTER DECISION TO WITHDRAW; SPY CHARGES AGAINST CONSULATE GENERAL; UNITED STATES PROTESTS AGAINST ARREST AND TRIAL OF MEMBERS OF STAFF; WITHDRAWAL AND CLOSURE

125.633/1-549: Telegram

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

NANKING, January 5, 1949—4 p. m.

[Received January 6—1:15 a. m.]

39. Following is pertinent portion Hong Kong’s 1, January 3, to Embassy:

"Chiao Mu today said he had learned from ‘traveler from Shanghai’ that all personnel Mukden American Consulate General are well.

In further remarks Chiao Mu said question of communications for Mukden Consulate General is part of larger question of US attitudes toward new government and toward Kmt. Government clearly indicating granting of any facilities to Consulate General would depend on future course US policy. This contrasted sharply with his original (apparently personal) emphatic stand immediate restoration communication facilities desirable, and suggests today’s statement represent[s] official view. Subject was introduced by him in today’s conversation. Elsewhere in conversation he [de]scribed essential difference in Communist view of US missionary organizations and consular establishments, saying former are dedicated to helping Chinese people while latter are offices of US Government, thus in entirely different status. Said Communists take broad view of non-political mission activity especially schools, hospitals, et cetera."

In our opinion attitude adopted by Chinese Communists toward American Consulate General in Mukden, not to speak of more neutral British and French Consulate Generals there, is little short of blackmail. It is among most convincing evidence yet that Chinese Communist leaders are basically British [sic] bigots out of Bolshevik mold.

This newly expressed attitude of theirs toward foreign consular offices, incidentally, is in startling contrast to fine promises of fair treat-

1 For previous documentation respecting the situation at Mukden, see Foreign Relations, 1948, vol. vii, pp. 809 ff.
2 Head of local branch of the Communist New China News Agency, Hong Kong.
3 Kuomintang (Nationalist Party).
ment of foreigners which they have recently made in Tsinan, Mukden, Peiping, Tsingtao, Shanghai, et cetera.

Solitary humorous note but significant one is found in the recantation by this naive Hong Kong Communist of his former decent and optimistic attitude toward communication problem of our Consulate General. Doubtless he was himself surprised by the highhandedness of CCP leaders.

Sent Department, repeated Shanghai 23, Mukden 1.

STUART

125.6336/1-1249: Telegram

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

NANKING, January 12, 1949—5 p. m.
[Received January 13—9:23 a. m.]

95. We have drafted joint statement on Chinese Communist denial of communication facilities to British, French and American Consulates General in Mukden as suggested in Deptel 1876, December 23, but have been unable to sell idea to British and French Ambassadors. British Ambassador does not wish to make joint statement and instead proposes that American Embassy give story to foreign correspondents suggesting that they apply to British and French Embassies for further details about British and French Consulates General.

French Ambassador is reluctant to make joint statement and although he has agreed to request instructions from Paris, he is not recommending any action. According to French Ambassador, his reluctance is based on following reasons:

(1) He still hopes to reestablish contact with his Consulate General via Hong Kong, Saigon, or Chinese messenger.

(2) He thinks joint statement might prejudice rather than help his Consul General.

(3) French Foreign Office has issued strict instructions that diplomatic officers abroad should issue no press statements.

We have told British and French Ambassadors of Embtel 39, January 5 to Department and informed them that in our judgment CCP statement that “question of communications for Mukden Consulate General is part of larger question of US attitude toward new Government and toward Kmt Government” is little short of blackmail. While expressing sympathy and concern British and French Ambassadors still refuse cooperate in joint statement which we believe occasion warrants. It is apparent that these local representatives are quite

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*Chinese Communist Party.


*Sir Ralph Stevenson and Jacques Meyrier, respectively.
content to ride along on coattails of US without appearing to take any positive action which might compromise future dealings themselves or their nationals in CCP-occupied China. Unless Department believes their noncooperation and opportunism are important enough to be contested in London and Paris and in order to avoid delay, we recommend as preliminary step Department approve our giving story for attribution to AP or New York Times correspondent in Nanking.

In response to this correspondent's query we would:

(1) Express our serious concern about safety since November 18 of American personnel and interests in Mukden.  
(2) Point out this is ominous portent of CCP policy toward USA. 
(3) State that act of holding incommunicado consular offices of sovereign countries is contrary to international usage and principles guiding relations between civilized communities.  
(4) Reveal attitude of CCP authorities as reported in Embtel 39, January 5 and emphasize that we consider solution to communication blockade of our Mukden Consulate General is unrelated to broad question of American policy in China.  
(5) Point out that CCP could offer American Consulate General ample outgoing communication facilities to Hong Kong, Dairen and Moscow over American transmission required during and after war and over commercial radio stations.  
(6) Recall that following their capture of Tsinan, CCP North Shensi radio broadcast safety and welfare messages from missionaries in that city.  
(7) Suggest correspondent inquire of British or French Embassies for detail re status their Consulates General in Mukden.

Sent Department 95, pouchd Shanghai, repeated Paris 3, London 2.

STUART

125.8338/1-1249: Telegram

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

WASHINGTON, January 19, 1949—5 p. m.

69. Embtel 95 Jan 12 rptd Paris 3 London 2. Having in mind current situation Tientsin* and unwillingness British and French join in press statement Dept believes issuance press statement re denial communication facilities ConGen Mukden unwise at this time.

LOVETT

* Mukden was occupied by Chinese Communist forces on November 2, 1948, the Consulate General's radio was closed by Communists on November 18, and the Consulate General's staff was placed under virtual house arrest on November 20.

* Tientsin was occupied by the Chinese Communists on January 15; for documentation regarding problems of the Consulate General at Tientsin after the occupation, see pp. 1031 ff.
The Consul General at Peiping (Clubb) to the Secretary of State

PEIPING, February 8, 1949.
[Received February 8—1:22 a.m.]

192. According statement by former foreign employee Chinese Secret Service to member this office, Communists closed Mukden radio primarily because they found messages being transmitted through that radio behalf Chinese Government orders.

Consul General, of course, in no position check but reports as of possible interest that soon after Communist occupation Peiping Kmt official local central government organization asked this office transmit message to Nanking although regular telecommunications there still maintained. Request refused.

Repeated Nanking, Canton, Shanghai.

Clubb

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

PEIPING, February 12, 1949—8 a.m.
[Received February 12—2:32 a.m.]

218. ReContel 208, February 10. On basis personal experience Mukden conditions, adduce following possible alternative explanations difficulties Consulate there apparently experiencing: (1) Communists, as previously suggested, may have suspected Consulate transmitting messages for Chinese Government agencies (whether Consulate did so through normal channels would presumably be known Embassy Nanking) or (2) previous connections may have involved Consulate...

ReDeptel 54, January 31. Believe it inadvisable until position Consulate clarified send Manhard or other officer now: (1) Seems clear personnel Mukden unable perform fruitful work at present and (2) new officer arriving might fall in same position as officers already there. Understand persons traveling Manchuria must have Manchurian residence certificates, request authority if feasible send Chinese messenger, preferably former Mukden employee if willing, to check on position Consulate and return to report. This procedure would be adopted after making local representations regarding Mukden-Tientsin communications and coordination Tientsin.

Repeated Nanking 175.

Clubb

*Not printed.

36 Philip W. Manhard, Vice Consul at Peiping.
CONSULATES IN OCCUPIED AREAS

119.2/2–1449: Telegram

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

SHANGHAI, February 14, 1949—1 p.m.
[Received February 14—4:04 a.m.]

515. No radio communications any kind ever transmitted behalf Chinese Government over Mukden radio circuit (Peiping 192, February [8]). Complete file all traffic held Shanghai control station. Sent Department 515; repeated Canton 56, Peiping 36, pouched Nanking 382.

CABOT

125.6333/2–549: Telegram

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

WASHINGTON, February 16, 1949—1 p.m.

80. Dept agrees para 2 urtel 218 Feb 12 (urtel 185 Feb 5 12) preferable send Chinese messenger for survey and report before Amer officers travel Mukden. In your discretion send Mukden employee if willing undertake journey.

Prevent employee remaining Mukden; if you feel he might decide remain there rather than return Peiping, it might be advisable offer him gratuity upon return Peiping. If you deem it necessary you are authorized offer gratuity not exceeding $50 US currency such dangerous activity after return Peiping chargeable appropriation 1990522 allotment 9K–183363 obligation 706.

ACHESON

125.6236/2–1849: Telegram

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

NANKING, February 18, 1949—noon.
[Received February 18—4:57 a.m.]

412. We do not believe Chinese messenger is satisfactory substitute for despatch of FSO 12 to Mukden to relieve officer there and break Consulate’s long period silence. It would, of course, be necessary apply appropriate permits, including Manchurian, to local authorities and if granted will permit Manhard and colleague access to Mukden and to consular compound which has thus far been denied apparently to all Chinese (see Peiping’s 208, February 10 to Department 13). Re-

12 Latter not printed.
13 Foreign Service Officer.
13 Not printed.
fusal permits would at least further clarify Communist attitude US official function areas China occupied by them (re Peiping's 218, February 12).

We feel if it is not possible to relieve Ward's 16 staff by Manhard or other officer or otherwise communicate with him, Department should give serious consideration to withdrawal of our consular staff Mukden as hazardous to health, welfare American officers [and] employees, undignified sovereign power continue submit such treatment, and use- less expenditure public funds and waste of Foreign Service personnel.

Re Peiping's unnumbered telegram February 8, 2 a.m. 16a to Department, repeated Nanking, Canton, Shanghai, and Peiping's 218 to Department, Embassy has no knowledge of Ward having used his radio equipment for transmission messages behalf Chinese Government agencies prior its seizure November 18.

Sent Department, repeated Peiping 55.

STUART

124.938/2-2249: Telegram

The Secretary of State to the Ambassador in China (Stuart) 17

WASHINGTON, February 22, 1949—noon.

252. AP story datelined Nanking Feb 21 reports Emb spokesman as confirming that "it has been impossible to contact ConGen Angus Ward or any member Mukden staff since Nov 18" and states staff restricted to consular compound without electricity, water service, or telephone. Report also states all efforts communicate with Ward from Nanking, Washington, Moscow, Peiping, and Dairen have failed. Dept replying to inquiries by acknowledging absence communications since Nov 18 and stating Dept making every effort reestablish communications.

Dept fails perceive any advantage gained by dissemination stories portions of which are at best unconfirmed rumors re treatment Con- Gen staff Mukden or by outlining efforts made establish direct contact with Mukden and believes such stories may have effect complicating any future approach Commies this subject.

Dept contemplating instructing ConGens Peiping and Hong Kong inform Comms US consular officers Mukden have now been denied communications US Govt since Nov 18, such denial understandable during period mil operations and adjustments related transfer local authority, long absence communications however contrary established

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16 Angus I. Ward, Consul General at Mukden.

16a See telegram 192, February 8, p. 936.

17 Repeated to the Minister-Counselor of Embassy In China (Clark) at Canton as telCan No. 27 and to the Consul General at Shanghai (Cabot) as telegram No. 333.
international practice governing functioning consular offices in territory under unrecognized govts, and if this procedure settled Comm policy, US Govt must give serious consideration withdrawal Consulate from Mukden.

Emb's views re such approach and its estimate precedent implications requested urgently. In meantime Emb instructed withhold addtl handouts or comments this subject.

ACHESON

125.6236/2-2349: Telegram

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

CANTON, February 23, 1949—5 p.m.

[Received 11:16 p.m.]

Cantel 76. I think we can safely assume that Communists will tolerate functioning our Consular establishments in areas controlled by them only so long as functioning those establishments serve Communist interests (Department telCan 27, sent Nanking 252, repeated Shanghai 333, February 22). It seems to me unconscionable that they should have maintained our Consular establishment in Mukden incommunicado since November 18 and that in Tientsin since January 23. What we know of their difficulties as well as those of Clubb in Peiping to establish contact with local Communist authorities in accordance international practice under unrecognized governments seems rather strongly to indicate Communist intention to use recognition of consular functions as quid pro quo for obtaining de jure recognition of National Communist government. In the circumstances, it would seem mistake to admit justification keeping our people incommunicado even during period military operations and adjustment, particularly when our own radio circuits were established and being used solely for official government business. Threat to withdraw Consulate Mukden at this stage would appear play into Communist hands and should not be made lightly. So long as our people are not in physical danger, it is only reasonable to assume they are acquiring knowledge which will be of value later even though they cannot report for time being. Should we threaten to withdraw Consulate Mukden and later have to withdraw, we would prejudice, I believe, our position in other areas China and might find ourselves, as in Soviet Union, without listening posts other than in capital.

May I venture suggestion our best policy would be have Consulates General Peiping and Hong Kong express at every opportunity our concern at continued absence communications with our Consulates

\[18\] Dated February 22, noon, supra.

552-963—75—60
Mukden and Tientsin and our expectation that communications will be restored forthwith. We may not get anywhere with such arguments, but at least we will not be condoning even temporary suspension communication facilities in contravention international practice.

Sent Department; repeated Nanking 72, Shanghai 44.

CLARK

125.6338/2-2449: Telegram

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

Peiping, February 24, 1949—noon.
[Received February 24—2:50 a.m.]

285. This office would favor try approach Communists Peiping regarding Mukden case although would note that as Department will appreciate from recent communications, situation regarding local contacts very difficult. Believe Hong Kong channel should also be used. Would try approach matter directly and indirectly by letter and orally; feel nil could be lost by attempted démarche.

Would recommend that now be omitted from communication any threat withdraw Consulate from Mukden which "possibly what Communists (and especially Soviets) want" but would instead stress established rights courtesies which receive general recognition international law and practice spite political change; and fact that "recognition" of [or] "nonrecognition" has nil do with case; Consulate being primarily concerned protect their citizens and perform certain other well-recognized functions which without reference overall political situation.

ReEmbelt 427, February 21 to Department,19 would report there has been growing restlessness likewise among foreign correspondents Peiping in face increasing rumors Mukden situation. Peiping correspondents, however, feel under restraints toward caution not now experienced National China.

Sent Department; repeated Nanking.

CLUBB

125.6338/2-2549: Telegram

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

Shanghai, February 25, 1949—1 p.m.
[Received February 25—3:25 a.m.]

665. I heartily concur Clark's 44, February 23, 5 p.m.20 It seems to me evident we can secure respect for our Consulates in Communist-

19 Not printed.
20 Same as Cantel No. 76 from Canton, p. 939.
dominated areas only insofar as Communists find necessary deal with them achieve their own purposes. I trust on this account Department will soon reply mytel 390, February 4, 8 p. m.\textsuperscript{21}

I must respectfully differ with Deptel 333, February 22, noon.\textsuperscript{22} It seems be fairly well established now our Mukden consular staff has been confined 3 months to consular compound. Among unattractive alternatives I feel best would probably be given maximum publicity this violation immemorial consular prerogatives and affront to US even though our aid program will weaken propaganda effect.

In talks with Democratic League leaders in Shanghai I have emphasized our concern Communist denial communication facilities to our Consulates Mukden and Tientsin and said that this situation can only strengthen hands those in US who advocate all-out aid to Nationalists.

Department has undoubtedly considered in connection with threat withdraw Consul Mukden [that] Communists may refuse permit consular staff to leave. I assume Department may be willing run this risk as indication what we may expect in this and other vastly more important areas as yet not overrun by Communists.

Sent Department; repeated Nanking 437, Canton 95.

\textbf{CABOT}

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\textbf{125.6336/2-2849 : Telegram}

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

\textbf{NANKING, February 28, 1949—noon. [Received February 28—8:43 a. m.]}\textbf{.}

479. Embtel 412 (repeated Peiping 55). As I have already reported, I believe our next step to solve Mukden impasse should be for Clubb to attempt to send Manhard and one other officer to Mukden. I would suggest that Clubb be instructed to send note to highest available Peiping authority informing that US Government is seriously concerned over welfare consular personnel Mukden and that it wishes Communists provide facilities travel Mukden [for] Manhard who has been permanently transferred that post and one other officer who proposes make round trip purpose accompanying out of Mukden two or more members consular staff who have been reassigned. Note should continue US Government takes very serious view Communist failure provide communications facilities to Consulate General and that functioning consular offices [may continue?] in territory under unrecognized governments. I believe such note if accepted in first

\textsuperscript{21} Vol. ix, p. 906.  
\textsuperscript{22} Same as telegram No. 252 to the Ambassador in China, p. 938.
instance would soon be passed up to top-level authorities. It would be futile to draw Hong Kong Communists into scene because they have demonstrated themselves to be without influence and poor channel of communication. Further believe at this stage no useful purpose would be served by threatening to close American Consulate General but that if Communists still refuse to act on our request by, say, March 15, then in second note Clubb should inform Peiping authorities that we wish to close Consulate General and request their assistance in effecting withdrawal of consular staff.

It would help buttress our application for second officer to make round trip to Mukden if Department were to reassign Stokes \(^{23}\) or Hubbard \(^{24}\) and one or two clerks. Communist action on this would also provide indication whether they are actually holding Consular staff as hostages. I assume two or more members could now easily be spared from Mukden staff.

I have already reported in recent telegram \(^{25}\) Moscow [Peiping?] regarding Mukden Consulate General, namely, that in its present status that post is hazardous to health welfare of staff, derogatory to dignity sovereign power and useless waste FS personnel and public funds. In addition I would observe that our patience over unjustifiable Communist behavior in Mukden may well be misconstrued by Communists in such way as to set very unfortunate precedent for posts in future. I am therefore convinced if worst comes to worst, we should not hesitate close post giving our action maximum publicity.

Disadvantages our withdrawal from Mukden would be somewhat mitigated by presence of Consulate at Dairen. Furthermore, it is quite possible Communists regard Mukden as special case and their hostility toward foreign Consulates in China Proper may not prove as great as it has in Mukden. If this is true, firm action on our part re Mukden would perhaps have salutary effect on treatment of our Consulates elsewhere.

Sent Department, repeated Canton, Shanghai, Peiping.

STUART

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\(^{23}\) William N. Stokes, Vice Consul at Mukden.
\(^{24}\) Fred E. Hubbard, Vice Consul at Mukden.
\(^{25}\) Telegram No. 412, February 18, noon, p. 337.
CONSULATES IN OCCUPIED AREAS

125.6336/3-249: Telegram

The Secretary of State to the Consul General at Peiping (Clubb) 26

WASHINGTON, March 2, 1949—7 p.m.

103. Dept increasingly apprehensive continuing absence communications from Mukden and persistent reports Comm restrictions on staff and desires you seek interview at earliest opportunity with highest Comm authority available to convey message along following lines (message may be delivered orally or in form unsigned memorandum in your discretion but you should state orally that you are conveying message on behalf US Govt):

Long experience has shown desirability of and international custom has sanctioned continued exercise by resident foreign consuls of their legitimate and proper functions within their consular districts even during periods of non-recognition between governments. Such functions relating as they do principally to assistance to nationals and facilitating international trade through certification of invoices, assisting merchant shipping and similar duties are generally recognized as benefiting local population as well as country on whose behalf they are exercised and have no relation to recognition as is evidenced by general international practice. It is recognized that confusion arising from transfer administrative control or continuance of military operations in specific areas may temporarily prevent consular officers from communicating with their Govt but it is noted that ConGen Mukden was allowed continue use its transmitter for several weeks during period military operations and it was not until this phase passed that restrictions placed ConGen. The extraordinary long period which has now passed without communication of any kind from ConGen Mukden and persistent though unconfirmed reports of confinement US consular personnel to their residential quarters have given rise to serious concern on part US Govt and people re welfare consular staff. US Govt is reluctant believe it established policy Comm authorities impose arbitrary restrictions US consular officers in total disregard international comity and practices but under circumstances must inquire whether ConGen staff is in fact confined, whether they are being otherwise prevented from performing their legitimate and proper duties and what arrangements have been or are being made for resumption of communications with ConGen Mukden.

In conveying foregoing you should request prompt reply.

Both Peiping and Hong Kong should take action outlined above.

At same time ConGen Peiping should in his discretion inform Comms that Manhard assigned Mukden replace member of staff there and request provision facilities travel Manhard [to] Mukden accompanied by another member Peiping staff. Dept believes it desirable

26 Repeated to the Ambassador in China as telegram No. 285, to the Consul General at Hong Kong as telegram No. 118, to the Minister-Counselor of Embassy in China as telCan No. 38, and to the Consul General at Shanghai as telegram No. 390.
leave choice latter to ConGen Peiping and decision regarding person whom Manhard would replace to ConGen Mukden. Transfer of member Mukden staff replaced by Manhard would be arranged after arrival Peiping. Person designated by Peiping accompany Manhard would return from Mukden in company person Manhard replaces. Before departure Manhard and companion you should of course obtain firm assurances latter and person relieved Mukden will be allowed return. Report action taken foregoing and name person designated accompany Manhard.

ACHESON

125.6336/3-849 : Telegram

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

PEIPING, March 8, 1949—4 p. m.  
[Received March 8—9:01 a. m.]

367. ReDeptel 103, March 2. Informed Peiping Foreign Nationals Office March 4 I desired discuss important matter with responsible authorities and requested procedure. They said they unable reply to question without knowing matter to be discussed. I said I would prepare written statement and present it early date. I returned this morning with written statement comprising actually message set forth Depreftel. I then informed petty official who met me I had message to present under instructions American Government. He disappeared without looking at statement, presumably to request instruction, and returned 15 minutes later with request statement be delivered him for inspection. Gave statement in English and Chinese marked “unofficial translation” neither with address or signature. Took statement, returned in 45 minutes with person understood be responsible official that office, one Li Li-hua. Li said sense of statement would be sent Yeh Chien-ying 27 but he was not in position say whether action would be taken since authority his office and municipal government limited Peiping. He said sense of message understood and I should take it back with me. Despite circumstance return to me of message I believe Nationals Office checked with higher authority before receiving message purportedly from US Government. Message was in all probability copied during interim at least in Chinese and possibly English. Message will probably reach high authorities in form intended. I stated categorically to Li that message was from US Government and told Li at end of meeting my Government would appreciate early reply. Li indicated he not in position give any assurances this regard.

27 Communist Mayor of Peiping.
Seemed me desirable concentrate on matter in point. Did not take up matter Manhard assignment. Told Li had another important matter discuss with authorities on instructions my Government (Deptel 60, February 3\textsuperscript{23}) but would await development from present case and prepare written statement as on this occasion and take up that later as it was not urgent. Propose wait few days before taking up Manhard assignment in order let local authorities digest Department’s message.

Believe other approach Peiping regarding Mukden matter infeasible present but my request see highest authority discuss matter still technically sound and I shall be in position make new approach if opportunity offers. I believe message can be considered effectively delivered.

Sent Department, repeated Hong Kong, Nanking, Canton, Shanghai.

\textbf{CLUBB}

\textit{125.6336/3-949: Telegram}

\textit{The Consul General at Hong Kong (Hopper) to the Secretary of State}

\textit{Hong Kong, March 9, 1949—noon. [Received March 10—12:12 a.m.]}  

86. Commies 8th informed Consulate their regulations do not permit official contact with American Government officials owing absence recognition, and senior Commie thus unable meet me (Deptel 118, March 2, repeated Peiping 103, Nanking 285, Canton 96, Shanghai 390).

As matter has been under negotiation with Chiao Mu since receipt ref tel March 4, Consulate today delivering memo containing Department’s message to Chiao Mu, claims authority maintain informal contact with US Consular officials as local head New China News Agency, with request he deliver memo to most senior local Commie.

Commie refusal seemed probably due standing instructions forbidding contacts; on recognition excuse specious and premature in view non-establishment Commie national government, but probably accurately reflects official Commie policy. Chiao Mu received [no?] hint contents memo during negotiations, but showed great curiosity.

Sent Department 86, repeated Nanking 20, Embassy Canton 6, Shanghai 29, Peiping unnumbered, Nanking pass addressees from Hong Kong.

\textbf{HOPPER}

\textsuperscript{23} Vol. ix, p. 11.
119.2/3-1449: Telegram

*The Consul General at Hong Kong (Hopper) to the Secretary of State*

**Hong Kong, March 14, 1949—2 p.m.**
[Received March 15—3:11 a.m.]

91. In cover received today Chiao Mu returned Dept's message left with him March 10, with personal informal signed note dated March 12 to Vice Consul Service examining "very sorry that I cannot forward such a message". Tone of note was friendly.

Return of message coincides with Peiping action and Consulate assumes text message radioed Communist headquarters.

Sent Department 91, repeated Nanking 21, AmEmb Canton 7, Shanghai 26, Peiping unnumbered.

HOPPER

125.7146/3-1849: Telegram

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

**Peiping, March 18 [17?], 1949—11 a.m.**
[Received March 17—11:56 p.m.]

Unnumbered. ReContel 367, March 8 to Department, asked at Peiping Foreign Affairs Office today I be informed whether there was any reply re matter discussed March 8. Petty official who took in my written request returned stated matters pertaining Consulates outside jurisdiction their office. Attempt get categorical reply to question resulted in unsatisfactory repetition first statement. Further pressure along same line finally brought forth statement that if there was reply I would be informed.

Took up same time question proposed travel two Vice Consuls (unnamed) [to] Mukden (Deptel 103, March 2), was informed matter could not be discussed with me since I was not immediately concerned, that those concerned should approach Bureau Public Safety. Am having Manhard and Armstrong making application latter bureau [for] departure.

Sent Shanghai 296, repeated Department, Nanking, Canton, unnumbered.

[CLUBB]

29 Richard M. Service.
29 Oscar V. Armstrong, language officer at Peiping.
CONSULATES IN OCCUPIED AREAS

125 Manhard, Philip W.: Telegram

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

PEIPING, March 18 [17?], 1949—11 a.m.
[Received March 17—11:56 p.m.]

Unnumbered. Re Contel 296, March 16 [17?].\(^1\) Manhard and Armstrong applied March 17 Public Safety Bureau for permission proceed Mukden. Informed reply would be made in due course.

Deptel 80, February 16 and Embtel 55, February 18\(^2\) noting impossibility [improbability] early assignment, does Department's authorization send Chinese messenger still hold?

Sent Department; repeated Shanghai 300, for info Nanking, Off-Emb Canton.

CLUBB

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121.67/3-1149: Telegram

The Secretary of State to the Consul at Dairen (Paddock)

WASHINGTON, March 18, 1949—7 p.m.

39. Urtel 72 Mar 11.\(^3\) Fol re communications Mukden, Tientsin and Peiping under present conditions Communist control for your info.

No direct word recd from Mukden since closing ConGen radio Nov. 18. Shanghai continuing blind broadcast selected important messages Mukden but no confirmation such messages recd. ConGens Peiping [and] Hongkong under Dept instruction have approached Commies re restrictions Mukden ConGen. No reply yet recd. Peiping has been instructed at opportune time request permission send two members staff Mukden. Mail service now open Peiping and Tientsin to Mukden but efforts communicate ConGen Mukden this means unsuccessful to date owing apparently isolation office Mukden.

Tientsin ConGen radio closed shortly after Commie takeover; blind broadcasts not successful. However commercial telegraph radio facilities now open Tientsin and outside. Coded messages not accepted. Commercial shipping north China ports and outside partially restored and Dept attempting arrange courier trip Tientsin this means.

Peiping ConGen radio not restricted by Commies to date continuing transmission receipt plain coded messages. Open mail between Nat and Commie China being reestablished.

In view foregoing Dept believes possibilities communication Mukden better via Peiping-Tientsin than Dairen and requests mail held

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\(^1\) Supra.
\(^2\) Latter is the same as telegram No. 412 from the Ambassador in China, p. 937.
\(^3\) Not printed.
for Mukden be returned Shanghai. However Dept desires you continue efforts (Deptel 24 Feb 18) send Gleysteene Mukden.

ACHEISON

123 Manhard, Philip W.: Telegram

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

NANKING, March 24, 1949—noon.
[Received March 25—8:21 a. m.]

644. Re Peiping telegram 300, March 18 to Shanghai, repeated Department unnumbered. If by April 1, Communists have refused or taken no action Manhard and Armstrong applications proceed Mukden, I hope Department will then give further consideration recommendations made mytel 479, February 28, re withdrawal all or part consular staff in Mukden. Current status our Mukden Consulate General now well into fifth month. Our patience must have some limit.

Sent Department 644, repeated Shanghai 295, Peiping 100, Hong Kong 19, OffEmb Canton 139.

STUART

125.3516/3-2549: Telegram

The Consul at Dairen (Paddock) to the Secretary of State

DAIREN, March 25, 1949—9 a. m.
[Received 9:22 p. m.]

82. White Russian recently returned from Mukden stated US flag flying over American Consulate General and large house opposite it where all US citizens residing. Guards stationed before both quarters but this also true of Soviet Consulate General (which apparently now exists. See Moscow telegram 4 to Department, repeated Nanking 2).

General condition of Mukden “settled down” but some looting and robbery still occurs in outskirts.

Source says Chinese Communists in complete authority and there little evidence of Soviet political activity.

Mukden-Dairen trip made by railroad without changing trains at Kwantung border.

Sent Nanking 53; repeated Department, Nanking, Shanghai, Shanghai 78, Moscow 88.

PADDOCK

23 Not printed.
24 Culver Gleysteene, Vice Consul at Dairen.
25 Not printed; in this telegram dated January 2, the Chargé in the Soviet Union (Kohler) stated: “Foreign Office note just received states no Soviet Consulate in Mukden present time.” (702.6193/1-249)
The Consul General at Peiping (Clubb) to the Secretary of State

Peiping, March 26, 1949—9 a. m.
[Received March 27—3:34 a. m.]

488. ReEmbtl 100, March 24. Manhard yesterday asked au-
thorities whether travel pass Mukden yet forthcoming and was told should
await communication from Bureau Public Safety.

Please correct second paragraph Contel 300, March 18 [77?] to
read “improbability” instead of “impossibility” unotted typing error.

Am addressing new letter Ward personally today.

Re proposal withdrawal contained Embreftel, respectfully offer ob-
servations. Governing factors, I believe, are: (1) USSR views Man-
churia area as part arena struggle with Western Powers, as strategic
area for Soviet expansionism, and desires, if possible, exclude US
and our representatives from area; (2) Position British and French
Consulates Mukden basically similar to American, difference being
primarily one of degree, British and French also lacking full freedom
movement and facilities for communication with Governments
through confidential mails and confidential codes (French Consul [at]
Peiping who had been receiving letter weekly from Mukden colleague
says he has received none for 2 weeks, British Consul received Mukden
mail today); (3) Position Consulates here very similar to those
Mukden and with hypothetical closing this radio station now it would
be closer yet to Mukden isolated state (French Vice Consul Perrouche
has been waiting in Shanghai for some time to return Peiping).

Believe Mukden is to be viewed as outpost in present struggle
against USSR, that withdrawal would (1) lose US observation post
of considerable importance and (2) possibly seriously weaken posi-
tion other Consulates Communist area particularly Peiping, Tientsin.
In circumstances I should propose: (1) representations along lines
indicated Contel 475, March 24 re position Consulate Generals, (2)
consultation at same time with other concerned powers re Mukden and
North China situation, (3) joint démarche if individual representa-
tions fruitless, either (a) before United Nations or (b) by ultimatum
of sorts accompanied by implicit threat economic sanctions (this latter
procedure in my opinion should be adopted only after sufficient time
had been given for Communist foreign policy to develop further, my
feeling being that it now is in process development), and (4) in ab-
sence favorable Communist action, joint action to withdraw Cons-
ulates if it seems absolutely necessary but at any rate to bring real
economic pressure to bear on Communists. (Note Communist eco-

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26 Same as telegram No. 644 from the Ambassador in China, p. 948.
27 Same as unnumbered telegram from the Consul General at Peiping, p. 947.
28 Post, p. 1074.
nomic difficulties already reported by Tientsin, Peiping.) In event success re Mukden, I feel proposal re-open Changchun and/or Harbin would be warranted.

Chou En-lai reported to have expressed opinion after his return Peiping Communist attitude vis-à-vis foreigners Peiping (particularly) mistaken. Chou was reported some months ago (source now forgotten) to have contended in Community councils that CCP should incline toward USA rather than USSR, because in event war USA would win, but is said to have lost argument to those favoring USSR alignment. One way or another arrival here Chou and Mao (Contel 489, March 26) will probably bring new developments for foreigners.

Repeated Nanking, Canton, Shanghai.

CLUBB

125.633/4–340: Telegram

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

NANKING, April 3, 1949—11 a.m.

[Received April 3—6:02 a.m.]

697. For reasons set forth mytels 479, February 28 and 644, March 24 and despite cogent arguments to contrary, notably those set forth in Peiping's 488, March 27 [36] to Department, we still believe that, on balance, our wisest course is to attempt withdrawal our entire staff Mukden Consulate General soon and with maximum publicity. Commie failure to respond by now to Clubb's two approaches re general treatment Consulates, offices and travel of Manhard and Armstrong promise that Commies will not respond in future, merely leaving matter suspended in mid-air which is, we might point out, familiar Soviet trick.

We do not agree that withdrawal Mukden staff would necessarily have adverse effect on remaining Consular offices in Commie territory but feel it would more probably have salutary effect by showing Commies we do not intend to do business with them on any basis inconsistent with our sovereign dignity and self-respect. Also, Chinese Commie foreign policy has during past several months so accelerated its trend of hostility toward US as to leave little basis for supposing that with few more months of patience we can solve impasse.

Sent Department, repeated OffEmb Canton 218, Shanghai 325, Peiping 108.

STUART

— Member of Central Committee of the Chinese Communist Party.

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

Not printed.
CONSULATES IN OCCUPIED AREAS

702.4191/4-649 : Telegram

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

NANKING, April 6, 1949—4 p. m.
[Received April 6—9:11 a. m.]

714. Following text of coded letter sent by open mail March 9 by British Consul Mukden to British Consul General Peiping and handed us by British Embassy, Nanking:

"For first 2 weeks after Communist occupation Consulates had 'normal' relations with authorities. On 15th November peremptory letters were received demanding the handing over of wireless transmitters. French Consul and I replied that we had none. US Consul General replied that he could not deliver his transmitter, but would close it and authorities could remove if they wished. On November 19th, French Consul and I received second letter about transmitters, this time addressed to us personally (not as Consul) and referring to 'former' Consulates. On November 20th US Consul General and his staff including servants were confined to their house where they have remained ever since incommunicado. All are believed to be well. At the same time, my light and telephone (and not French Consul's) were cut off.

2. Since then French Consul and I have been officially ignored. Letters are not answered and interviews are evaded. The very few communications we have received e.g. from police about registration have been addressed personally. My light was restored after 5 weeks but telephone is still cut, car is unlicensed, sentry at gate intimidates visitors and till very recently plain-clothes men followed me and the staff everywhere. French Consul has been consistently treated one degree better.

3. Foreigners (except Americans) have however no personal ill-treatment to complain of. Most important damage to British interests has been the occupation of Hong Kong and Shanghai Bank, with the consent of the Russian left in charge, by Government Trading Corp. Missionaries are working without interference.

Present position is therefore that US Consulate General has ceased to exist and British and French can hardly collect information except from the press and are quite unable to protect nationals though their presence does support morale. On the other hand, authorities have never directly stated that they regard the Consulates as closed and I think they do not wish to commit themselves either way. I have therefore (having first made every effort to obtain interview or answer to letters) refrained from pressing the authorities for the past 3 months in hopes of facilitating 'normal' relations should general settlement make them possible later on. I am convinced that while action on my part might well aggravate the situation it could not conceivably improve it. Mukden authorities obviously receive their orders from elsewhere and I do not think any local improvement is likely till agreement is made either in North China or more probably Nanking."

Sent Department 714, repeated Shanghai 340, AmEmbassy Canton 226.

STUART
WASHINGTON, April 15, 1949—7 p. m.

212. Unless some new development causes in your opinion objection thereto, Dept desires that you utilize channel in your judgment most suitable convey message along following lines to Commie authorities:

One month has now passed since I conveyed message on behalf my Gov't respecting treatment accorded American consular officers, particularly at Mukden. No reply has been rec'd this message. Meanwhile indirect reports from Mukden state that American consular officers that city are confined to their compounds. Owing to blocking by Communist authorities for past 5 months of all communication with American ConGen Mukden it impossible confirm these reports or, if reports true, ascertain from ConGen reasons this extraordinary behavior Commie authorities. Blocking communications with Mukden in itself creates intolerable situation while reported confinement consular staff if true so clearly contrary universally accepted principles international comity that my Gov't can no longer delay clarification situation. I am accordingly instructed by my Gov't to state that unless Communist authorities are prepared promptly correct unsatisfactory situation Mukden and allow American consular officers there facilities universally recognized necessary proper to discharge their duties, American Gov't will have no alternative but to withdraw them. I am further instructed to point out that, in China as elsewhere in world, only presence American consular officers free to discharge their duties responsibilities can in view my Gov't provide services and safeguards essential to trade and commerce with US.

You may add that you have been requested to report to Dept re foregoing matter within next 2 weeks and that you would accordingly appreciate prompt consideration and reply.

In delivering foregoing you should follow procedure outlined Deptel 103 Mar 2.

ACHESEON

WASHINGTON, April 15, 1949—7 p. m.

213. Immediately following tel 42 requests you make further approach Commies re Mukden. If you feel recent joint approach you and ur colleagues re consular facilities Peiping (urtel 611 Apr 14 43) makes desirable deferring Mukden issue few days or a week Dept would have no objection thereto but desires be informed thereof.

ACHESEON

42 Supra.
43 Post, p. 1077.
CONSULATES IN OCCUPIED AREAS

125.633/4-1849: Telegram

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

NANKING, April 18, 1949—3 p. m.
[Received April 18—6:22 a. m.]

783. Reference Embtel 697, April 3. Today, as total eclipse our Mukden ConGen enters its sixth month, we suggest Department reconsider views expressed in Embtel 479, February 28, particularly our recommendation that Clubb be instructed inform Peiping authorities we feel forced to close Mukden ConGen and request their assistance in effecting withdrawal of staff.

In this connection, we suggest Department also refer to Embtel 714, April 6, which quoted official British report from Mukden as stating American consular staff have been confined incommunicado to their houses since November 20 and that American ConGen has “ceased to exist”.

Sent Department, repeated Shanghai 386, OffEmb Canton 262, Peiping 128.

STUART

702.0093/4-1949: Telegram

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

PEIPING, April 19, 1949—11 a. m.
[Received April 19—4:15 a. m.]

654. ReDeptels 212 and 213, April 13 [15]. Return by local authorities Consul’s note without comment (Contel 646, April 18 44) would seem outwardly constitute essential rejection at least temporarily Consul’s propositions. Matter will be analysed in separate message 45 but for present purposes this can perhaps be taken as real position. Delay few days or week for reasons connected that démarche would therefore not seem warranted.

Would, however, recommend waiting approximately same period see what, if anything, comes of peace negotiations 46 since this may affect overall situation in respect diplomatic and consular relations. Information obtained by Colonel Barrett 47 indicates matters Communist attitude toward foreigners have been discussed in peace negotiations—though probably not as item major importance.

In meantime would appreciate being informed whether there has been any consultation or coordination with British or French regard-

44 Post, p. 1080.
45 Telegram No. 658, April 21, 7 p. m. Ibid.
46 For documentation on the so-called peace negotiations between the Chinese Government and the Chinese Communists, see pp. 1 ff.
47 Col. David G. Barrett, Assistant Military Attaché in China.
ing projected move. Respectfully invite attention Contel 488, March 26 this regard.

Sent Department, repeated Nanking 408, OffEmb Canton 63, Shanghai 450.

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125.633/4-2549: Telegram

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

PEIPING, April 25, 1949—3 p. m.
[Received April 25—11:58 a.m.]

700. Urtel 212, April 15, mytel 659, April 19. Note that Communist occupation Nanking, probable occupation Shanghai near future constitute important new developments which might due course bring about some change in Communist attitude re Consulates. Consulates may finally be given degree recognition but there is lacking firm assurance this will happen soon or at all prior recognition Communist government yet to be established. In circumstances therefore would propose message outlined urtel should be communicated Communists on or about April 27. In consideration, however, of (1) possibility afore-mentioned changed Communist attitude, (2) possible desirability not indicating in advance our proposed line action, invite consideration alternative of omitting from message statement that consular officers will be withdrawn unless position Mukden is rectified. Time limit might be left in message and at end of 2 weeks unless developments in interim seemed to merit different line action, it simply be requested Communists provide facilities for withdrawal those officers in view Communist failure rectify existing conditions. Am uncertain whether this changed approach offers improvement other than increased flexibility given, but invite attention to situation. Please instruct.

Will explore possibility communicating message direct [to] Yeh Chien-yung or other high authority as well as presenting it at Aliens Affairs Office. Former approach would probably be more effective if feasible.

Information received week ago from person coming direct from Mukden known this office indicates Ward confined consular office and Mrs. Ward separately in their residence.

Repeated to Nanking 44, Canton 75, and Shanghai 479.

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*The Secretary of State in telegram No. 85, April 29, 8 p. m., informed the Consul General at Tientsin as follows: "'Projected move' refers approach ConGen Peiping to Commies re conditions Mukden." (702.0093/4-2949)  
*Later not printed.
WASHINGTON, April 26, 1949—7 p. m.

235. After careful consideration ur 700 April 25 Dept remains of opinion best course re Mukden is inform Commies that unless situation rectified US must withdraw its consular personnel Mukden thereby insuring Commies apprised our intentions prior to deciding issue. Dept not sanguine success but considers chances this approach measurably better than mere repetition earlier plea which Commies so far utterly ignored. In any case it evident situation Mukden cannot be allowed continue indefinitely awaiting Commie change of heart. In view foregoing Dept desires you deliver message substantially as outlined Deptel 212 April 15 as soon as possible and concurs desirability communicating if possible directly Yeh or other high authority as well as Alien Affairs Office.

ACHESON

125.0093/4-3049 : Telegram

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

PEIPING, April 30, 1949—11 a. m.

[Received April 30—9 a. m.]

735. Re Deptel 212, April 15, Contel 654, April 19. Registered letter sent express today to Peiping General Headquarters, People's Liberation Army, along lines indicated Department's reference telegram.

Passed Nanking 468, Canton 90, Shanghai 498.

[Clubb]

125.0090/5-449 : Telegram

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

PEIPING, May 4, 1949—5 p. m.

[Received May 5—12:30 p. m.]

763. Re Contel 734 [735], April 30. Sent today double registry letter May 3 addressed Peiping mayor enclosing copy communications sent previously headquarters PLA.56 This course followed because general unreceptivity Aliens Affairs Office re subject in point.

Passed Nanking 483, OffEmb Canton 96, Shanghai 511.

Clubb

56 People's Liberation Army.

552-963—78—61
The Consul General at Peiping (Clubb) to the Secretary of State

PEIPING, May 9, 1949—10 a. m.
[Received May 9—5:34 a. m.]

796. ReContel 734 [735] April 30. Peiping mayor (Contel 763, May 4) returned yesterday without comment but letter sent headquarters still unreturned.
ReContel 732, April 29 [30], particularly last paragraph. Urge action on matter Japan trade before May 15, if possible, because of possible value for Mukden matter.

CLUBB

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

NANKING, May 17, 1949—noon.
[Received May 17—6:14 a. m.]

1042. ReDeptel 235, April 26 to Peiping, repeated Nanking 522. Assuming action has not been taken along following lines, we believe time has now come for Clubb to send short formal note to highest available Peiping authorities informing that in absence of necessary assurances requested in his last communication, US Government has no alternative but to withdraw immediately staff of Consulate General, Mukden, and requesting cooperation Communists to that end.
Sent Department 1042, repeated Peiping 167, Shanghai 587, Embassy Canton 428.

STUART

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

WASHINGTON, May 17, 1949—6 p. m.

600. In separate tel 52 being rptd to you Dept is instructing ConGen Peiping inform Commies our decision close Consulate Mukden and request transportation facilities staff and effects. At same time Dept desires unless you perceive objection thereto that you bring to attn Huang Hua, Chief, Aliens Affairs Office, either through channel mentioned ur 994 May 11 or through personal ltr intolerable conditions which have confronted ConGen Mukden since Nov 18 and efforts this Govt has taken to have conditions improved, referring specifically to

52 Infra.
53 Ante, p. 741.
two previous approaches Commies by ConGen Peiping and decision this Govt close Mukden office. You may point out that you bringing this matter to his attm since under conditions Peiping impossible ascertain whether previous messages have reached high Commie auths and because of responsibility which you in your position bear for Ward and staff and in the hope that he will bring this matter to the attm of the responsible Commie auths in Peiping.

ACHESON

125.633/5-1749: Telegram

The Secretary of State to the Consul General at Peiping (Clubb) 54

[Extract]

WASHINGTON, May 17, 1949—7 p. m.

299. In view time elapsed without reply your approach Commies re Mukden Dept desires you inform Commies that owing their imposition arbitrary unreasonable restrictions ConGen Mukden US Govt withdrawing its staff closing office that city. You should request transportation and other facilities to enable ConGen staff with personal and other effects and such office supplies and equipment other Govt movable property as deemed desirable depart Commie controlled areas. Evacuate via Tientsin or Peiping depending available housing, etc.

Dept considers most satisfactory method inform Mukden this decision and convey necessary instructions would be send Manhard [and] Armstrong [to ] Mukden. Following general instructions for assistance Ward closing Mukden office:

Mukden Cons dist[rikt] being added Peiping Cons dist.

Prin[cipal]Off[icer] Mukden shld arrange evacuation personnel and effects closely as possible accord FSRegs.55 However, due situation, Dept must rely his discretion.

... ... ... ...

ACHESON

125.633/5-2149: Telegram

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

PEIPING, May 21, 1949—10 a. m.

[Received May 21—2:13 a. m.]

876. ReDeptel 299, May 17. Letter dated May 19 southeast [sent] headquarters PLA, double registry, yesterday in sense directed. Let-

55 Repeated to the Ambassador in China as telegram No. 608, to the Minister Counselor of Embassy in China as telCan No. 187, to the Consul in Shanghai as telegram No. 967, and to the Consul General at Mukden as telegram No. 23.

55 Foreign Service Regulations.
ter same date mailed Ward express double registry today, enclosing copies 2 letters headquarters and Deprefelt.

Letters to headquarters requested travel facilities for Manhard [and] Armstrong.

ReDept 278, May 13, 68 perforce of course addressed headquarters PLA as such. Since proposed in event nonreply however address either Chu Teh 69 or Mao Tse-tung or both re subject, re Contel 860 [896] May 18, 69 please instruct re mode address in present instance.

Copy letter to Ward and enclosure sent Tientsin for information.

Sent Department 876, repeated Nanking 569, OffEmb Canton 129, Shanghai 588.

CLUBB

125.683/5-2549 : Telegram

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

NANKING, May 25, 1949—4 p. m.
[Received May 25—6:16 a. m.]

1111. May 24 delivered to Huang Hua, Chief, Aliens Affairs Office, memo informing Commies of decision close Mukden (Deptel 603, May 17 69) and requesting Huang's assistance transmit this information to appropriate authorities Peiping and transmit to Ward detailed instructions for closing office. Huang stated matter outside scope his duties but he would consider and advise us later whether he could assist in personal capacity.

Sent Department; repeated Peiping 182.

STUART

125.683/5-2649 : Telegram

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

WASHINGTON, May 26, 1949—1 p. m.

640. From Butterworth. 60 We are all very disturbed by protracted confinement Ward and other members staff Mukden and wish no stone left unturned to effect their speedy departure. I hope you will find means personally to press this matter to a rapid conclusion. [Butterworth.]

WEBB

68 Same as telegram No. 98 to the Consul General at Tientsin, p. 1082.
69 Commander in Chief of Chinese Communist armies.
69 Post, p. 1084.
69 Same as telegram No. 209 to the Consul General at Peiping, p. 987.
60 W. Walton Butterworth, Director of the Office of Far Eastern Affairs.
The Consul General at Peiping (Clubb) to the Secretary of State

PEIPING, May 31, 1949—5 p. m.
[Received June 1—6:35 a. m.]

914. ReContel 876, May 21. Consulate has received no reply to either its letter [to] headquarters PLA or from Mukden.
Travel permits Manhard [and] Armstrong still unreceived.
Information available received thus far indicates foreigners generally unpermitted to date leave Manchuria.
Please instruct.
Sent Department 914, repeated Nanking 597, OffEmb Canton 137, Shanghai 610.

Clubb

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

NANKING, June 1, 1949—3 p. m.
[Received June 2—12:06 a. m.]

1165. For Butterworth. ReDeptel 640, May 26. I also am deeply disturbed about status of Ward and his staff. Thinking that perhaps a personal letter from me to Chou En-lai would be beneficial in this respect I sent Philip Fugh 61 to Huang Hua May 31 to see if latter would transmit such letter. Huang’s first reaction was negative. He said normal channel is through Clubb. However, he did promise to give my request further thought. Needless to say, I shall continue my efforts. (See Embtel 1111, May 25).

As respects whole question of Mukden ConGen, Huang insisted that it was outside his jurisdiction, but he did indicate his belief that its present situation may be explicable by other than surface facts. He hinted that Ward may have been doing espionage for Kmt. However, when pressed, he insisted he had no concrete information on this. I fear we must consider this comment revealing of Communists’ official attitude toward our Mukden office once they are publicly put on defensive. Huang added that if he were too active in matter he would be suspected by his superiors of yielding to pressure from me as old teacher and thus overstepping his authority. For obvious reasons Huang requested Fugh to keep this conversation strictly confidential.

Stuart

61 Chinese personal secretary to the Ambassador in China.
WASHINGTON, June 3, 1949—7 p. m.

351. Ur 876 May 21. In view Commie non-reply ur letter PLA Headquarters and non-action request travel permits Manhard, Armstrong, Dept desires you obtain personal interview highest ranking member Alien Affairs Bureau available. You should outline orally steps which you have already taken requesting that facilities be granted Ward to permit closing of office Mukden and withdrawal of staff and call attention to non-receipt any reply [from] Commies. You should reiterate this request and add that you have been instructed by your Govt to state that it takes a most serious view of this matter and to request that you be informed at once of the steps which the Commie authorities are taking in order that Ward and staff may depart from Mukden.

Dept desires above action be taken in light of info from Emb reporting informal conversation with Director Alien Affairs Bureau indicating Alien Affairs Bureau Peiping proper channel.

For ur info and such use as you may consider desirable in connection foregoing, delivery by CalTex of tanker fuel oil for Shanghai Power Company has been approved. If use made this info, Dept believes it desirable avoid any suggestion horse-trading which might lead Commies consider pressure on U.S. Consulates profitable means obtain supplies from U.S.

Dept suggests Shanghai also review Mukden situation with appropriate Commie authorities who probably more impressed essentiality fuel oil for SPC 63 than Peiping Commies.

Webb

125.633/6-649 : Telegram

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

NANKING, June 6, 1949—11 a. m.

[Received June 7—5:06 a. m.]

1204. ReEmbtel 1111, repeated Peiping 182, May 25. Embassy officer was summoned to Alien Affairs Office June 3 where he was informed by Ch'en Ying that closing of Mukden Consulate outside jurisdiction that office and therefore no action could be taken on our request. However, memo originally handed Huang Hua was not

63 Repeated to the Ambassador in China as No. 669 and to the Consul General at Shanghai as No. 1122.

64 Shanghai Power Co.
CONSULATES IN OCCUPIED AREAS

returned. Time elapsed since he first received it suggests he forwarded its substance to Peiping authorities as part of his request for instructions how to handle matter.

Sent Department 1204, repeated Peiping 196.

STUART

125.6336/6-749; Telegram

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

SHANGHAI, June 7, 1949—6 p. m.
[Received June 7—7:34 a. m.]

2141. Shanghai Post editorial commenting on treatment Consul [at] Mukden speculates Soviets may be responsible because of their special interest in Manchuria.

Considering Chinese Commies have shown themselves sensitive to newspaper comment in US on other matters, notably their possible Titoism, it occurs to me now that publicity has been given Mukden affair Department might wish quietly stir some comment in US press along lines Shanghai Post's editorial. If there is basis for presumption Soviets are involved, it may well be due to their desire embroil US and Chinese Commies. Comment in US might perhaps end by embroiling Chinese Commies and Soviets.

Sent Department 2141, repeated Nanking 1120.

CABOT

125.633/6-749; Telegram

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

NANKING, June 7, 1949—6 p. m.
[Received June 7—10:15 a. m.]

1231. Reference Peiping's 914, June 1 [May 31] to Department, repeated Canton 137, Shanghai 610. Suggest Department may wish to instruct Consul General [at] Peiping to request Headquarters PLA to authorize Consul General to send to Ward by regular commercial facilities text of Deptel 299, May 17 to Peiping regarding closing of Mukden Consulate General.

Since things move slowly in China, we have not yet abandoned all optimism that we will be able to reach reasonable solution with Communists regarding Mukden impasse. If action suggested above and in Deptel 351, June 3 to Peiping, repeated Nanking 669, proves unfruitful, suggest Department may then wish to instruct Clubb to

*Marshall Josip Broz Tito, head of Yugoslav Communist Party and State, who broke with Moscow in June 1948.*
follow it up shortly by appropriate communication to Chou En-lai and/or Mao Tse-tung.

However, if by June 19 (1 month after Clubb sent his first communication) Communists still maintain their wall of silence, it would then be time, we believe, for top level Department spokesman to make strong detailed statement regarding Communist treatment of our Mukden Consul General with implications possible Soviet instigation, immediately thereafter giving subject fullest play on VOA and USIS. Unless factors relating to recognition of Chinese Communists make it unwise, Department may also wish to have spokesman indicate that Department is giving consideration to raising matter in Security Council.

Repeated Canton 509, Shanghai 662, Peiping 206.

STUART

125.633/6-949: Telegram

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

Nanking, June 9, 1949—noon.
[Received June 9—5:16 a.m.]

1945. In my conversation with Huang Hua June 6 (see Embtel 1235, June 8) I took opportunity tell him that I attach great importance solution impasse regarding our Mukden Consulate General; that perhaps my principal duty is assure protection American nationals, and that I would be very reluctant leave China, in compliance my orders to Washington on consultation, until consular staff has been safely withdrawn from Mukden.

Huang replied that this matter outside his province. However, when I pointed out to him that through Clubb we had exhausted every process we could think of without even reply from Peiping authorities, he promised that he would think again about what it would be possible for him to do.

I do not doubt that Huang’s reply was governed by fear that if he oversteps his proper bounds his superiors would suspect him of yielding pressure from me as former student. However, it is reasonable suppose he will report my remarks to Peiping.

Sent Department; repeated Shanghai 668, OffEmb Canton 515, Peiping 210.

STUART

65 Voice of America.
66 United States Information Service.
67 Ante, p. 752.
Peiping, June 9, 1949—noon.
[Received June 9—5:57 a.m.]

966. ReDeptel 351, June 3. Called yesterday Alien Affairs Office and submitted application “see high-ranking responsible official your office in order directly discuss matter of decision American Government close American Consulate General, Mukden”. Attendant parroted usual Communist phrase indicating I, as Consul General, unknown to them, required that I add to application that I was making request in capacity ordinary alien before it could be considered. In effort accomplish mission, I complied, attendant disappeared into inner office, returned shortly afterwards to reply as follows:

Communists are informed by radio of matter in point and Mukden officers if they desire withdraw should make application locally. When I said had sent letter Mukden reference matter but reply un-received, attendant stated message could be forwarded by me in private capacity to Mukden officers through Alien Affairs Office if desired.

I pointed out I was under instructions Department discuss matter with high-ranking responsible official. Attendant said what he had just said constituted reply to my request. Interview refused.

In circumstances was unable present matter to responsible official that office along lines proposed Department refTel and of course did not attempt do so to petty office attendant.

Please instruct whether additional message should be sent Mukden through Alien Affairs Office along indicated lines in private capacity.

Re Department refTel. Note that Alien Affairs Office Peiping has previously repeatedly indicated it is without authority over (1) matters outside Peiping and (2) consular affairs; and it would seem that, if response petty official may be taken signify Communists have decided (1) transmit message and (2) possibly permit Mukden personnel act on it, reply still cannot be considered adequate assurance that there will be extended those Consulate officers either customary courtesies or adequate facilities for removal Government property and personal effects. There is possibility that officers by these terms would be caused remove under humiliating, at least, undignified circumstances. ReEmbtel 1231, June 7 to Department. My own recommendation would be that (1) strong representations be made [Huang] Hua, Nanking, and (2) I be authorized make representations along same lines Mao Tse-tung, Peiping. Those representations, if taking note of information received from Alien Affairs Office indicating Mukden personnel should make local applications, should make it clear that American Government unsatisfied with that reply and desires that responsible Communist authorities take appropriate action to end
that winding up Mukden affairs shall be in accordance with requisites international law and protocol.

Re Embassy rift. Believe that as suggested Contels 732, April 28 [30], 68 and 838, May 14, 69 most potent threat to be used against Communists lies ready at hand in SCAP 70 control Japanese trade which can be denied Communists until they act in civilized manner. Invite attention this connection Contel 869 May 20, 65 Tientsin 252, May 26 to Department. 71

Sent Department; repeated Nanking 641, OffEmb Canton 154, Shanghai 648. Department pass Tientsin 59.

CLUBB

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125.633/6-1149: Telegram

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

PEILING, June 11, 1949.
[Received June 11—7:45 a.m.]

991. ReContel 985, June 11, 69 Following telegram received yesterday from Ward for transmittal American Embassy:

“No. 1, noon, June 8. Copies of Department telegram No. 603 72 and letter of American Embassy, Nanking, dated May 17 mailed from Peiping received yesterday. Restrictions imposed on Consulate office American official personnel since noon November 20 continue unchanged. Am trying contact mayor to ascertain whether permission can be given for evacuation of staff and purchase of materials for packing. No replies to repeated requests to see mayor made since November 9 and to buy packing materials made following month. “Last Embassy message received in November is No. 196. Can only send telegrams in Chinese language. Please transmit this telegram to Department as No. 1. Please reply upon receipt.”

Sent Nanking 664; Department 991; OffEmb Canton 165; Shanghai 660.

CLUBB

69 Not printed.
70 Supreme Commander, Allied Powers in Japan (MacArthur).
71 Not found in Department of State files.
72 Reported the substance of this agency’s article as printed in two Shanghai papers.
CONSULATES IN OCCUPIED AREAS

811.20293/6-1949: Telegram

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

PEIPING, June 19, 1949.

[Received June 19—5:46 a.m.]

1039. Following is full text NCNA. 73 English language service item appearing today under Mukden June 18 datelines: 74

"Base of big American spy ring brought to light Manchuria has just been disclosed here by Public Security Department of Northeast Administrative Council. Principal espionage agents involved in case are Sasaki, Japanese, Royen-Tsang, Mongolian, and Wu Jen-chieh, Chinese national of Sino-American parents; they have been arrested and will be punished according to law of People's Government.

"They were discovered with 6 American-made transmitting and receiving radio sets of 15 watts, 3 generators, 16 secret code books of American espionage service, 10 gold ingots for espionage expenses, 3 working plans, 4 directives, 13 documents on organization of American T.S. espionage organization and biographical material of its personnel, 28 copies of intelligence and 40 military maps and charts.

"Evidence at hand shows that so-called American Consulate in Mukden and US Army liaison group Mukden are American espionage organs. American espionage service Mukden made use of former Japanese secret service agents and Chinese and Mongolian traitors to conspire against Chinese people and world peace. According to confession of Sasaki, one of principal espionage agents, he engaged in espionage work before complete liberation of Manchuria under direct instructions from so-called US Army liaison group and former American Consulate in Mukden. His job was to collect military, political and economic intelligence in Northeast liberated area and Inner Mongolia.

"Prior to liberation Mukden in October 1948, Sasaki and Tsao Cheng-teh received orders from so-called US Army liaison group and former American Consulate to go 'underground,' set up secret radio station and continue their activities. So-called US Army Liaison Group (ALG) was open title of American Espionage Department in China called External Survey Detachment 44 of US War Department in Shanghai (ESD 44) with headquarters Shanghai. After Japanese surrender ALG moved to Manchuria with Kmt invasion army and set up branch groups Mukden and Changchun. It enlisted former Japanese secret service agents, Mongolian and Chinese traitors to conduct espionage work against Chinese people. One of Japanese special service agents employed by ALG Mukden was Sasaki, called SSK alias Chang Chih-chung in China and Sakuma in Japan.

"He was graduated from Russian Mongolian [garbled group] of Military Academy of Japanese Kwantung army in Hsingan. During Manchoukuo regime, he undermined Northeast People's anti-Japanese war of resistance in Hsinganling area in Heilungkiang province.

"After August 15, 1945, he fled to Mukden and became intelligence agent of Second Office of Kmt Ministry National Defence. Later he

73 New China News Agency (Communist).
74 In telegram No. 2351, June 19, not printed, the Consul General at Shanghai reported the substance of this agency's article as printed in two Shanghai papers.
was recommended to work in former American Consulate, Mukden, and ALG as an espionage agent. He maintained direct connections with Nishida, American-Japanese who was an assistant to Senglauf, head of ALG in Mukden, an American German. His job was to absorb remnants of Japanese and Manchoukuo secret service into work of collecting intelligence on Northeast liberated area and Mongolia. He had altogether supplied important intelligence 70 to 80 times to Nishida and directed American espionage group called T. S. according to copy of report to Nishida on locations of the T. S. organization by Sasaki in April 1948, headquarters of espionage department moved to Peiping in February 1948, with branch headquarters in Mukden and Peiping. Mukden branch headquarters had under it 11 intelligence stations set up in Changchun, Harbin, Tsitsihar, Mutankiang, Tumen, Hailar, Manchuli and Hunchun. ALG Changchun enlisted service of Mongolian traitor Po Yen-tsang called TOAS 4 and ordered him to set up intelligence stations Inner Mongolia to collect intelligence and engage in sabotage work.

"In February, 1947, he went to Chengchiatun in Liaoyuan country and asked the Mongolians there to spread rumor that Inner Mongolian problem can only be solved with help of Chiang Kai-shek and America to undermine national unity of China.

"Then he set up intelligence station in Pechengtze (Puchengtzu) and supplied American espionage department with intelligence of organization and names of leading persons of Inner Mongolian autonomous government. He also supplied American espionage department with brief biographies and accounts of habits of these persons as well as photographs showing political life of Mongolian people.

Another espionage agent, Wu Jen-chieh, was recommended by Barandson, American intelligence agent in Mukden, to establish connections with Walsh in so-called Navy Liaison Branch Group. His job was to pass on intelligence between Mukden and Tientsin. Wu Jen-chieh camouflaged himself by acting at first as English Secretary of Kmt Northeast Administrative [Affairs] Committee and later as merchant. He met Walsh in family of Tovodani Jirou, Japanese professor of Mukden National Medical College, and after receiving letters containing intelligence he flew to Tientsin and handed them over to Mrs. Kossov, White Russian residing in former Tientsin British concession. When Wu later lost contact with Walsh, he was recommended by Senglauf to work under direction of Hunt, another American intelligence agent.

"On eve of liberation of all Manchuria at end last October, open section of ALG in Mukden prepared to withdraw to Shanghai and Sasaki [and] Tsao Cheng-teh were ordered to draw up plan for working underground. Main point in Sasaki's plan was to make use of influence of the 'third forces'. So-called third forces were the underground remnants of Japanese and puppet Manchoukuo secret services including Arisaka, Takeuchi, Hsiao Yao-ting, Wang Fang-hsin, Kuo Cheng-lu, Yana-Giki, Yamamura and Tsao Cheng-teh, Takeuchi and Hsiao Yao-ting took charge of communications between Peiping and Mukden with the Alice Café in Mukden as their meeting place.

Sasaki received from ALG two miniature radio sets, one miniature generator and one secret code book, nine gold ingots, wheat flour, sugar and rice as espionage expenses. [Garbled group] ordered Sasaki
and his gang to collect intelligence about garrison forces, traveling regulations, identification cards, etc., in Manchuria and Inner Mongolia. According to ‘plan of work of various stations in East Mongolia proper’ drawn up by Tsao Cheng-teh, it was planned to set up an intelligence headquarters in Mukden and liaison stations in Wangyemiao, Changchun, Szepingkai, Chinchow, Chengchiatun and Tunghiao. Sixteen intelligence agents were to be employed who would camouflage themselves as merchants.

Plan also provided 12,000 Kmt gold yuan for monthly expenses and 2,100 Kmt GY per month for travelling expenses. At same time, ALG headquarters Shanghai sent Myadan to organize underground work of Mongolian traitor Po Yen-tsang and gave him 2 portable miniature American-made radio sets, code books, intelligence expense [garbled group] American dollars and 16 bags of flour.

Hunt in like manner gave Wu Jen-chieh two miniature portable American-made radio sets, one miniature generator, one secret code book, gold ingots and gold bars as espionage expenses. Hunt also told Wu to establish radio connections with Tientsin. After liberation of Mukden, these espionage agents continued their organization of underground espionage activities.

In December 1946, Wu Jen-chieh went with American intelligence agent Barandson in name UNRRA to Tunghiao. They collected military intelligence about People’s Liberation Army in name of investigation relief conditions and supplied this intelligence to former American Consul in Mukden.

Another American espionage agent known as liaison officer also ordered Wu Jen-chieh to collect intelligence on Northeast liberated area for former American Consul in Mukden. When Japanese were repatriated in 1947, former American Consul retained Sasaki for espionage work and a retention permit No. Cheng Chiao 177 and identification card for Japanese Nationals were issued to Sasaki by Kmt Administrative Affairs Committee. In January 1948, Hunt, who succeeded Walsh in directing Wu Jen-chieh, stayed on first floor of former Mukden American Consulate. He went to see him four times and Hunt told him to visit him there only until after dark.

“On October 27, 1948, Hunt asked Wu to see him in the former Consulate at 8 next morning and when Wu went there, Hunt took a radio set, a generator and a secret code book in a jeep to Wu’s home.”

Chinese language version in today’s local press has following concluding paragraph:

“Facts of whole case and all kinds documentary proof captured show clearly that so-called Consulate of US Government at Mukden and Army Liaison Group are in fact American espionage organizations whose aim was utilization of Japanese special service and Chinese traitors and Mongol traitors for furthering anti-Chinese people plot activities for destruction of Chinese people’s revolutionary enterprise and world peace. Our People’s Government respecting offenders in that case is going to impose restraints (or ‘controls’) in accordance with law.”

CLUBB

*United Nations Relief and Rehabilitation Administration.*
The Minister-Counselor of Embassy in China (Clark) to the Secretary of State

CANTON, June 20, 1949.
[Received June 20—2:16 a.m.]

Cantel 614. Following statement released press June 20:

"Communist charges that the American Consulate General in Mukden was engaged in espionage are ridiculous and absolutely false. The Communists may have levelled such charges in order to distract attention from the fact that they have held the American Consul General and his staff incommunicado for the past 7 months in violation of international law and custom."

Sent Department; repeated Nanking 412, Shanghai 350.

CLARK

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

NANKING, June 20, 1949—noon.
[Received June 20—5:38 a.m.]

1330. In response to AP, UP, New York Times and AFP requests for comment on Peiping radio June 18 broadcast re alleged American espionage net in Manchuria and involvement of ConGen Mukden, we felt compelled to make brief oral statement for attribution along following lines:

"Embassy lacks sufficient information for full comment. As is known, communications between Embassy and ConGen Mukden have been severed for about 7 months. However, Embassy believes that reference to ConGen Mukden as espionage organ is too fantastic to merit any comment."

We also informed correspondents that perhaps fuller statement will be forthcoming in Washington.

We did not make fuller comment not only because we felt that on such important matter prior approval of Department should be obtained but also because we felt it injudicious in view our present position Nanking. However, we do believe Department should not hesitate to issue additional statement, making it as strong as possible with view to forcing Communists back into defensive position. We suggest comment along following lines:

"Department fully endorses statement issued June 19 by AmEmb Nanking that Chinese Communist allegations that ConGen Mukden served as American espionage organ are too fantastic to deserve com-

Agence France Presse.
ment. Department, however, notes similarity between these charges and charges which have been directed at American diplomatic missions and consular offices in other Communist-dominated countries. They are all designed to smear integrity of those establishments and to rationalize arbitrary restrictions placed upon them by Communist authorities. In particular, Department believes Chinese Communist charges against ConGen Mukden are prompted by bad conscience occasioned by uncivilized and totally unjustifiable treatment which Department has good reason to believe Chinese Communists have accorded personnel that office since last November 20.

As Department has made public in previous statements, all communications between ConGen Mukden and outside world were severed on November 18, only 16 days after Mukden was occupied by Chinese Communist forces. According to unofficial reports, it appears that staff of ConGen Mukden has essentially been under house arrest since November 20. Only since June 13 have Chinese Communists relaxed their communications blockade of ConGen Mukden to extent of permitting it to exchange with AmEmb Nanking and AmConGen Peiping a few Chinese language telegrams on purely administrative matters.

Department is pleased to note that Chinese Communists at least have finally broken their long silence re ConGen Mukden, if only by referring to it in their broadcast as 'so-called AmCon' and 'former AmCon'. Department therefore permits itself to hope that Chinese Communists will finally acknowledge and take action on its note of May 19 which was delivered by AmConGen Peiping to Communist authorities in Peiping informing that 'owing to imposition by Chinese Communists of arbitrary and unreasonable restrictions on ConGen Mukden, US Government is withdrawing its staff and closing its office in that city.' In connection with this withdrawal, Department expects that Communist authorities will now facilitate prompt departure of staff of ConGen Mukden by according it full courtesies customarily enjoyed under international law and comity by foreign government officials."

Sent Department, repeated OffEmb Canton 564, Shanghai 724, Peiping 226.

STUART

125.683/6-2149. Telegram

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

NANKING, June 21, 1949—11 a. m.

[Received June 21—1 a. m.]

1387. We also are apprehensive (Peiping telegram 966, June 9 to Department) that Communist authorities will permit removal of consular staff from Mukden only under humiliating or undignified circumstances. Hwang Hua raised question with Philip Fugh June 18 referring to fact Ward had been permitted communicate with ConGen Peiping. Hwang implied steps taken in Peiping in certain quarters had been effective.
Suggest Department may wish to instruct Clubb to follow up in Peiping with view to impressing upon highest Communist authorities he can reach fact that we expect Ward and staff to be accorded full courtesies customarily received under international law and comity by officers of foreign governments.

Sent Department, repeated Shanghai 730, OffEmb Canton 567, Peiping 228.

STUART

S1120936-2149: Telegram

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

NANKING, June 21, 1949—6 p. m.
[Received June 22—1:16 a. m.]

1341. ReEmbTel 1330, June 30. [Here follows a reference to Chinese Communist allegations about American activities in Manchuria and the question to what extent they were voluntarily terminated as the collapse of Manchuria became more imminent.]

There is also considerable element of falsehood in Communist claims. . . . Activity in Manchuria was directed against USSR, not “Chinese people.” Much of it was hang-over from Japanese war and was not at all concerned with CCP. Broadcast partly supports this by reference to American espionage in Inner Mongolia.

On balance it seems to us that probably preponderant factor behind Communist charges are desires to impugn American motives in China, to rationalize their conduct toward staff Consulate General, Mukden, to denigrate reports Ward will make when he leaves Mukden and possibly to smooth way for further restrictions against other American consular offices and perhaps even this Embassy. It seems to us furthermore that whole tenor of charges and attention to detail show Soviet influence.

In latter connection we suggest release of charges at this late date was possibly occasioned by Soviet-controlled Chinese Communists in Mukden feeling impelled to justify to more independent China, that is North China, their arrogant treatment of our consular staff which will redound so to their disadvantage once Ward is free to tell his story. As corollary, possibly Communist accusations signify our Mukden staff is going shortly to receive more assistance in its withdrawal than it has hitherto experienced.

Sent Department 1341, repeated Shanghai 733, OffEmb Canton 569, Peiping 230.

STUART
CONSULATES IN OCCUPIED AREAS

125.633/6-2349: Telegram

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

NANKING, June 23, 1949.
[Received June 23—7:04 a.m.]

1353. Following is translation Mukden’s No. 4 to Department (sent Nanking 6):

“Director Foreign Affairs Office Mukden Municipal Government called this afternoon. Regarding my requested interview with mayor, he states staff and I permitted leave Mukden with movable property of US Government and that on presentation of lists of staff and articles to be evacuated railway transportation will be provided. He asked me to designate departure date for staff and articles. I replied I cannot do so before being permitted contact packers. When conditions permit, it will be possible to evacuate. Signed Ward.”

Repeated Shanghai 745, Peiping 233.

STUART

125.633/6-2149: Telegram

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

WASHINGTON, June 23, 1949—5 p.m.

385. Re Nanking’s 1337 June 21 to Dept, rptd Peiping 228, Dept assumes you continuing efforts re evacuation of Ward and staff whenever opportunity presents itself without specific instr from Dept.

ACHESON

125.633/6-2949: Telegram

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

SHANGHAI, June 29, 1949—2 p.m.
[Received, June 29—10:31 a.m.]

2544. Letter received today from Ward and other members Mukden staff for forwarding. Confirmation copy of telegram to Clubb dated June 6 states: “Entire American and alien staff continue under arrest imposed noon November 20 by Mukden Military Control Committee. All in surprising good health and spirits notwithstanding arduous conditions our incarceration. Have been without requested dental and medical treatment and inoculations and vaccination during confinement.” In personal letter to me dated June 12 Ward refers to letter I wrote March 4 which was delivered June 4. First communication from outside since November 20. First telegram received June 6. Ward continues that nothing has been or could have been done as yet to pack up and leave. Written communications local authorities
have gone unheeded since November 9. Permission requested [in?] April to purchase lumber, nails, et cetera is according to jailers being "studied by appropriate authorities". Letter continues: "Even though we may desire to close this office, I am not at all certain that this desire is reciprocated by all concerned. Our presence here does serve in some measure as a counterbalance. Both my staff and I have enough of Mukden to last us for some time but we are nevertheless willing to remain here until our replacements arrive, therefore failing knowledge of the actual wording of the order regarding the closing of this office I suggest that the order not be categoric but effective upon the final departure of the principal officer. Of course our status of being neither fish nor flesh may go on for some time but we have withstood the stress thus far and can continue to do so for a further period."

From somewhat cryptic references Ward evidently ascribes his incarceration to break between Soviets and US. He says: "Morale is superb among [among?] Americans but not among aliens." Request cancellation TO 79 9-10589 dated July 28, 1948 because he cannot enter statutory leave status prior to June 30. He requests letter be acknowledged by telegram which we have done. Sends regards to Butterworth.

Repeated Nanking 1390.

125.683/8-649: Telegram

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

NANKING, August 6, 1949.

[Received August 5—11:30 p. m.]

1725. Following is Mukden telegram 24, July 29 to Embassy.

"Press states exit permits now being issued by Mukden Bureau Public Safety to persons proceeding abroad. If Department, Embassy desire I apply here for exit permits for American staff and our dependents to leave China en route abroad, please instruct me, stating country to which we shall proceed. Inasmuch as my statutory leave travel orders expired June 30, I assume new orders for current fiscal year have been or are being issued. Am still without any indication whether or when first group staff and dependents will be permitted proceed Peiping. Department not informed."

Following is Embassy's replicatory telegram 23, August 6 to Mukden:

"Embassy suggests you apply Mukden for exit permits your staff and dependents to leave China. Travel orders have already been issued American personnel for return to US."
The Counselor of Embassy in China (Jones) to the Secretary of State

Nanking, August 13, 1949.
[Received August 13—3:48 a.m.]

1780. Reference Embtel 1223 [1723], August 6. Following is Mukden telegram 29, August 9 to Embassy:

"Exit permits requested for 10 American staff members, 5 American and 2 alien dependents Mukden—Shanghai. Travel permits requested for 3 FSA employees; no date departure Mukden specified, but shall set date soonest possible."

Sent Department 1780; repeated Shanghai 985, OffEmb Canton 746.

Jones

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

Washington, August 15, 1949—2 p.m.

959. Dept wld suggest that Emb instruct Ward not to press for permits to proceed to Shanghai as indicated your 1780 Aug 13 but to seek permits for himself and his staff proceed to Tientsin with view to his leaving country earliest possible sailing from Taku Bar.80

Acheson

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

Nanking, August 16, 1949.
[Received August 16—2:41 a.m.]

1802. In Mukden telegram 31, August 12 to Embassy, Ward reported that "I am today informing Mayor Mukden first group staff members and dependents originally scheduled leave Mukden en route Tientsin and Peiping July 27 continue in readiness to travel and it is my desire they depart on Wednesday August 17."

Sent Department; repeated Shanghai 1008, OffEmb Canton 768.

Jones

80 The Counselor of Embassy informed the Department in telegram No. 1816, August 17, 5 p.m., that "Embassy today sent to Mukden telegram recommending Ward seek permits himself and staff to leave China via Tientsin."
The Counselor of Embassy in China (Jones) to the Secretary of State

NANKING, August 19, 1949—4 p. m.
[Received August 19—9:21 a. m.]

1834. British Embassy has shown us report of former British ConGen, Graham, Mukden, who arrived Peiping July 29. It confirms our worst suspicions, namely, that "AmConGen staff have been complete prisoners". On other hand, report continues, British have been entirely at liberty and their position recently has been improving. For instance British ConGen telephone was finally restored July 25, auto license may be granted soon and plain-clothes guards at British ConGen gate seem to have been withdrawn about beginning of July. These guards were previously an intolerable nuisance but British ConGen believes this was due merely to overzealousness of illiterate soldiers since difficulties were usually ironed out after reference to higher Commie authorities.

It seems to us that Graham’s report is unjustifiably cheerful for facts remain that during many months he was incommunicado, had no auto, was unable to arrange for his fiancée to join him and must have suffered many humiliations to his official position. It, however, still seems apparent that Commies do not wish to force out British ConGen as they have AmConGen. French ConGen is reportedly in even better situation than British ConGen. Why Commies are showing such relatively favorable consideration to British and French ConGens, given Soviet-type iron curtain which has descended around Manchuria, we are unable to explain.

Sent Department, repeated Shanghai 1013, Embassy Canton 779.
Department pass Peiping.

JONES

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

NANKING, August 23, 1949.
[Received August 24—2:05 a. m.]

1879. Following is text Embtel 30, August 23 to Mukden:

"Please report whether first group staff members and dependents originally scheduled to leave Mukden for Peiping July 27 actually departed August 17 as indicated in your telegram 2 [37] on August 12. If not, please report reasons therefor in detail as Embassy wishes to keep State Department fully informed.

"Please report also whether local authorities have issued exit permits via Tientsin to all Consulate General staff and dependents."

See telegram No. 1502, August 16, p. 973.
Sent Department, repeated Peiping 344, OffEmb Canton 791, Shanghai 1033.

JONES

123 [Ward, Angus I.] : Telegram

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

WASHINGTON, August 29, 1949—7 p. m.

588. While noting urtel 1433 Aug 28 re disruption Mukden-Shanhaikuan rail line Dept disturbed delays Ward encountering leaving Mukden and desires facilitate his departure if possible. Wld appreciate ur opinion whether any or all fol steps wld be helpful. You will recall this connection Ward has specifically cautioned against impatience (Peiping tel 1136 Jul 7 to Dept 82).

(1) Public statement by Dept spokesman calling attention long delays Ward encountering and stating he has been instructed withdraw immediately with his staff and that US Govt fully expects Commies accord him facilities enable his compliance.
(2) Message from you to Ward conveying Dept's instructions he and staff withdraw immediately.
(3) Communication from you to top Commie authorities Peiping conveying under instruction US Govt message along lines (1) above.

Wld likewise appreciate ur suggesting any other steps which might be taken facilitate Ward's departure.

ACHESON

125.033/8-2949 : Telegram

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

NANKING, August 29, 1949.

[Received August 30—12:47 a. m.]

1939. Following is Mukden telegram 39, August 26 to Embassy replying to Embtel 30, August 24 [23?] to Mukden which was repeated to Department as 1879, August 23:

"Reference Nanking telegram 30, August 24, received today noon. My telegram 35, August 18, stated transportation for first group staff members and dependents was not forthcoming on August 17 as requested and that conditions our confinement unchanged but this message refused transmission for unstated reason. In its reference telegram 30, Nanking inquires reasons for failure first group depart on scheduled date August 17, to which inquiry unable reply other than to state all members of group and their accompanying luggage and effects were in readiness but no transportation was forthcoming. In fact, local authorities have not acknowledged receipt of any my

82 Not printed.
requests for first group transportation and have given no indication whether such requested transportation will be forthcoming.

No exit or travel permits have been issued despite my several communications on subject and no indication thus far whether such permits will be issued.

Barring unforeseen delays or abnormal obstructions, I hope to be able inform local authorities on or immediately after September 1st my readiness leave Mukden en route Tientsin, Peiping with entire staff, dependents and government and personal property. Shall make specific application for outward travel and shipping facilities at that time. Shall endeavor keep Nanking informed of developments but refusal transmit my factual telegrams renders fruitfulness my efforts to this end uncertain. Am fully aware of Department interest in our welfare and conditions at this post, but regret that circumstances beyond my control prevent me from keeping Nanking fully informed."

Sent Deptment 1939, repeated Shanghai 1056 OffEmb Canton 807.

[Jones]

125.633/8-8049 : Telegram

_The Counselor of Embassy in China (Jones) to the Secretary of State_

NANKING, August 30, 1949.

[Received August 31—1:20 a. m.]

1957. ReEmbtel 1939, August 29 to Department. Following is text Embtel 34, August 30 to Mukden:

"Reurtel 39, August 26. According to local press, rail service between Mukden and Peiping was resumed August 28 after interruption of 23 days due to floods. Embassy assumes from this development that there is now no reason for your staff, dependents and effects not to proceed to Peiping on or immediately after September 1 as stated in your reference telegram. Embassy is notifying State Department accordingly."

Sent Department; repeated Shanghai 1067, OffEmb Canton 808, Peiping 352.

Jones

125.6336/9-249 : Telegram

_The Consul General at Peiping (Clubb) to the Secretary of State_

PEIPING, September 2, 1949.

[Received September 2—1:13 p. m.]

1468. ReContel 1433, August 28. Following from Ward reContel 19, August 29 to Mukden:

83 See telegram 1839, August 29, from Nanking, supra.
84 Not printed.
“Although we receive copy local newspaper daily are unable glean any information therefrom for reason translating staff has been in funk and useless since publication fantastic spy charges on June 20. Have had no American staff member with working knowledge Chinese since departure Rinden. Shall therefore be grateful any information you may deem useful to us in closing office and making travel plans.”

Sent Department, repeated Nanking 1061, to Tientsin by mail.

CLUBB

123 Ward, Angus I. : Telegram

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

PEIPING, September 3, 1949—noon.

[Received September 3—6:22 a.m.]

1475. ReDeptel 588, August 29. Note that as reported Contel 1467, September 2, Peiping line broken. Believe (1) it would be pointless press for Ward’s departure when travel physically impossible, but (2) public statement reviewing situation and noting delay presumably as result interruption rail traffic now warranted, and (3) instructions then could well be sent Ward either direct or via Peiping directing him depart soon as rail line reopened, if needed besides those reported Embtel 1957, August 30.

In view information Contel 1468, September 2, will forward Ward from here any possible hope for information or suggestions, repeating Department.

Believe other steps such as new communication Communists should wait on developments after restoration rail traffic.

Sent Department 1475, repeated Nanking 1064.

CLUBB

702.4193/9-1249: Telegram

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

WASHINGTON, September 12, 1949—6 p.m.

625. British have agreed accept custody US property Mukden (Deptel 601 r). If possible Ward should obtain receipts from British Consul.

ACHESON


[6] Dated September 2, 3 p.m.; it reported that the British had been requested to accept custody of U.S. property in Mukden but had not replied (702.4193/9-249).
The Secretary of State to the Consul General at Peiping (Clubb) 

WASHINGTON, September 15, 1949—5 p.m.

634. Department released following statement to press September 15:

"Consul General Angus Ward has on several occasions since announced closure American ConGen Mukden May 18, 1949 requested exit visas, travel passes, rail transportation Mukden, Peiping and Tientsin for ConGen staff. Rail freight facilities for government property and personal effects now packed awaiting shipment out of Mukden also requested.

"Chinese Communist authorities Mukden so far refused or failed acknowledge all such requests. While no reason given by them, it assumed from reports available to Department floods during August early September, resulting in disruption rail service south of Mukden, have contributed to delays encountered by Consul General Ward.

"Department has instructed Consul General Ward continue make every effort obtain from local authorities necessary permission and facilities to depart immediately and confidently expects as soon as normal rail traffic between Mukden-Tientsin resumed, Communist authorities will, in accordance law and comity, facilitate departure Consulate General staff."

Acheson

123 [Ward, Angus I.] : Telegram

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

WASHINGTON, September 15, 1949—4 p.m.

637. Utrel 1475 repeated Nanking 1064 September 3. Please send Ward substance press release September 15 regarding Mukden along with following message:

"Department fully aware your strenuous efforts and difficulties besetting you. You are instructed continue take all necessary steps arrange departure self entire staff and property soonest following resumption normal rail service."

Acheson

123.633/9-1549 : Telegram

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

WASHINGTON, September 16, 1949—8 p.m.


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88 Repeated to the Counselor of Embassy at Nanking as telegram No. 1100.
89 Neither printed.
90 Department of State Bulletin, September 26, 1949, p. 482.
CONSULATES IN OCCUPIED AREAS

You are authorized send letter to Chu in ur discretion. Send Dept complete text such letter if and when sent for Dept's use in press release if deemed desirable at time.

ACHESON

125.633/9-2349: Telegram

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

PEIPING, September 23, 1949.

[Received September 23—10:07 a.m.]

1601. Following communications dated September 22 dispatched today to PLA C-in-C Chu Teh re matter evacuation Mukden consular staff and property.

"Acting under instructions of US Government, by letter of May 19, 1949 this ConGen informed general headquarters PLA that due to imposition by Chinese Communist authorities of arbitrary and unreasonable restrictions on American ConGen at Mukden, my Government was withdrawing its staff from and closing its consular office in that city. It was requested that transportation and other facilities be provided to enable consular staff with personal and official effects to depart from Communist-controlled areas via Tientsin or Peiping.

American ConGen at Mukden, Mr. Angus I. Ward, was appropriately instructed by American Department of State. Mukden authorities, through director of Alien Affairs office, on June 21 informed Mr. Ward that he and his staff would be permitted to depart Mukden with moveable property and that upon presentation of lists of staff and property to be evacuated, railway transportation would be provided. Mr. Ward was asked to designate departure date for staff and property.

Mr. Ward on July 19 notified authorities that 13 of his staff were prepared to depart on July 27, others remained behind until there had been completed arrangements for packing and shipment of effects.

Request was renewed on August 12 with departure date fixed for August 17 [as?] transportation facilities were in fact not provided. On September 3 after completion of packing Mr. Ward sent formal letter to mayor of Mukden requesting rail transportation to Peiping and Tientsin for himself and staff and dependents, excepting persons left behind in custodial capacity, with their baggage and American Government property.

To date facilities have not been provided by Mukden authorities. It is appreciated that there was extended interruption in Peiping rail communications in August to September due to flood damage but it is also understood that breaks have now been repaired and normal traffic resumed; there thus can be no further reason for failure to provide requested facilities for travel of American consular personnel in question.

Department of State has again instructed Mr. Ward to take steps to obtain from local authorities necessary facilities for immediate departure from Mukden. US Government fully expects Chinese Communist authorities, in accordance with international law and practice, to provide facilities which would enable him to comply with instruc-
tion. In view of delays and difficulties which have attended making of arrangements heretofore, however, I am instructed to bring this matter to your attention with request that you take appropriate measures to cause Mukden authorities to extend promptly transport facilities required for removal from Mukden of personnel of American ConGen at Mukden and their personal and official effects. Your prompt action to this end would be much appreciated."

CLUBB

125.633/9-2949: Telegram

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

PEIPING, September 29, 1949—1 p.m.
[Received September 29—3:43 a.m.]

1641. ReContel 1601, September 23. In course discussion September 24 with L. K. Tao 91 (Contel 1619, September 27 92), I called his attention to Mukden case, noting unfavorable reaction it was producing USA, and recommended strongly that Chinese authorities, for good Sino-American relations, enable Consulate staff remove as requested.

Consulate letter September 22 unacknowledged, unreturned me.

CLUBB

125.633/10-449: Telegram

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

WASHINGTON, October 4, 1949—6 p.m.

682. In view recent developments Peiping 93 Dept believes it desirable, unless you perceive objection thereto, that you informally and in personal capacity approach Chou En-lai 94 by such means as you consider desirable re evacuation Mukden ConGen staff. While Dept leaves substance to ur judgment, it believes that you might call attn to approaching winter and express earnest hope staff be permitted leave prior to incidence cold weather which under existing conditions wld impose extreme hardship endanger health staff. 95

WEBB

91 Also known as Tao Meng-ho; author and member of Academia Sinica.
92 Ante, p. 537.
93 For information on establishment on October 1 of Communist “Central People’s Government of the People’s Republic of China”, see telegram No. 1666, October 1, from the Consul General at Peiping, p. 544.
94 Premier and Foreign Minister of the Communist regime at Peiping.
95 For information on action taken, see telegram No. 1707, October 10, 3 p.m., from the Consul General at Peiping, vol. ix, p. 117.
The Consul General at Mukden (Ward) to the Consul General at Peiping (Clubb)\(^6\)

MUKDEN, October 12, 1949.

80. Early yesterday morning Messenger Chi, who had been dismissed for cause on September 28th but had at that time refused accept salary due and cumulative leave payment, was found hiding in office storeroom contrary my orders upon his departure for home on September 28th that he was not to return to office since payment would be made at his residence upon request. I told him he was trespassing and escorted him hand in hand to courtyard. When Accounting Office opened he again refused proffered payment (which did not include severance pay, Department telegram 23 May 17,\(^7\) for reason he was discharged for cause), and demanded refund of retirement pay deductions, which refund outside my competency. Later, when Chi refused leave Accounting Office and I was endeavoring expel him with intention handing him over as trespasser to armed sentry guarding office building, he lay down on stairway and refused move. During this time his brother who is temporary day laborer attacked me with fists and later attempted attack me with cudgel, but in both instances brother was pulled away by Rehberg.\(^8\) Representatives of Municipality, Public Safety Bureau and People’s Court appeared and conducted investigation in reply my request that our warden come to office restore order among Chinese staff, who had in meantime attacked Kristan\(^9\) and endeavored attack Cicogna.\(^1\) Chi continued lie on stairway feigning injury. Chi had small scrape on side of head of origin unknown myself or staff, but neither he nor brother was injured by me or any member my staff. Chi was removed from office ostensibly to hospital. Attending physician certified cerebral concussion and loss consciousness. Chinese staff filed complaint attesting Rehberg, Tatsumi,\(^2\) Kristan, Cicogna and I beat Chi and his brother. Upon completion investigation at 16 o’clock I was informed above complaint will be referred to government.

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\(^6\) Notation on Mukden post copy of telegram: “Refused transmission & returned Nov. 5.” File of post telegrams transmitted to Department after closing of Consulate General in December 1949.

\(^7\) Same as telegram No. 298, May 17, 7 p.m., to the Consul General at Peiping, p. 957; portion of telegram pertaining to this matter not printed.

\(^8\) Ralph C. Rehberg, clerk.

\(^9\) Alfred Kristan, building maintenance technician.

\(^1\) Frank Cicogna, chief technician.

\(^2\) Shiro Tatsumi, mechanic.
The Secretary of State to the Consul General at Peiping (Clubb)

WASHINGTON, October 14, 1949—9 p.m.


First para this proposed statement contains verbatim text ur reply Chou En-lai dated Oct 8. Second para reads:

"Occasion taken this reply to Mr. Chou's letter make approach to responsible Commie leadership on this matter which wd not reasonably admit of evasion. Chi Commie auths have thus far demonstrated signal lack good faith in failing honor their June 21 promise provide transportation facilities for staff's withdrawal. Time has passed when Chi Commie auths cd plead any extenuating circumstances, such as disruption rail service due floods, for their continued refusal stand by their assurances given voluntarily some 4 months ago."

Third para continues.

"Chi Commie auths by their refusal take any action this case, can hardly expect gain internatl prestige or attract good will of world community. It is extremely difficult see how a regime now bidding for internatl recognition can possibly expect to have its request considered at all seriously by other than Commie states when that regime repeatedly shows by its deeds, in areas presumably under its control, that it unwilling adhere even to minimum standard internatly recognized good conduct."

ACHESON

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

PEIPING, October 17, 1949—1 a.m.

[Received 5:32 a.m.]

1757. Re Deptel 711, October 14. Respectfully note there have already been several public statements regarding position Mukden Consulate without result. Believe new statement at this time would likewise fail achieve desired result, i.e. removal personnel. Letter to Chou En-lai was sent only week ago, there is still possibility getting results from that move. Last Mukden telegram was dated October 8. There may be some change there one way or another. Am communicating today asking for situation report.

There is another avenue direct approach Chou; after manner either British or French (Contel 1733, October 13), could request interview

*See telegram No. 1707, October 10, 3 p.m., from the Consul General at Peiping, vol. IX, p. 117.

*Not printed.
with Chou without indication purpose visit. On arrival Foreign Office subject should obviously be more than case Mukden. Department might wish consider advisability making such approach for discussion several matters. Most effective, if deemed advisable at this time, would be request for Communist reaction regarding project for Jessup* visit Communist-controlled areas (if this be planned); that is, whether he would be granted entry and contact with Communist officials. Other possible subjects would be on trade, laws and treaties affecting that trade and foreign rights and interests, and Consulate’s relations in present interim period. First of three would be of most interest to Communists but leads naturally to other questions including particularly that Mukden. Such conversation would be in line proposal contained Contel 1703 [1704], October 8* and might result in more clarification of situation than obtained thus far.

Note finally that Chen Ming-shu* earlier promised take up at Peiping the subject (Nanking telegram 1215, June 13 [6]* ) and that I here had proposed to L. K. Tao that those interested in better relations with U.S.A. (as reputedly Lo Lung-chi*) would be well advised give early attention Mukden case (Contel 1641, September 29). Chinese are currently very wary of contacts with Americans but am trying contact Chen or Lo regarding matter, otherwise will try take it up with someone Yenching October 22 when visit there planned.

Emphasize my belief such public statement would more probably retard than advance matter at this time. Therefore recommend statement not be issued until after steps outlined above have been taken and such new statement is discovered be only resort.

Will comment on proposed text statement and another point in separate messages.

CLUBB

125.633/10-1749: Telegram

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

PEILING, October 17, 1949—4 p.m.
[Received October 17—5 a.m.]

1759. Re Contel 1757, October 17. In final analysis it might be found advisable exert economic pressure against Commies. Note Sino-American and Sino-Japanese trade has to date hardly developed to stage where its manipulation would constitute strong leverage: Threat to withhold what is still ungranted in major scale is less effec-

*Philip C. Jessup, Ambassador at Large.
*Vol. ix, p. 111.
*Leader of the Kuomintang Revolutionary Committee (KmtRC).
*Not printed.
*A leader of the Democratic League and member of the Communist regime at Peiping.
tive than actual withholding of something already in being. Suggest
however that if in immediate future there are developments re Sino-
Jap barter trade for instance, conclusion deal might be held up pend-
ing settlement Mukden and Smith-Bender 10 cases pressure. The
more that is involved of course the more pressure would be felt. This
might well be worked by implication into any conversation at Foreign
Office. Feel strongly, particularly in view relatively short period
letter sent Chou, that statement should be held up until new avenues
explored.

CLUBB

125.638/10–1749: Telegram

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

PEIPING, October 17, 1949—4 p.m.
[Received October 17—4:55 a.m.]

1760. Re Deptel 711, October 14, comment on proposed text press
release. Re second paragraph, would recommend using title “general”
instead of “mister” or alternatively leaving out title altogether.
Re third paragraph, recommend question recognition not be made
subject reference in current press release, believing firmly noncom-
mittal attitude re this question gives greatest flexibility and, by keep-
ing Communists in dark re intentions, makes possible our exercise
maximum leverage. Public reference here would possibly bring Com-
munist counterattack.
ReContel 1757, October 17, note however my recommendation press
release be held up for present in any event pending other action.

CLUBB

123 Ward, Angus L: Telegram

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

PEIPING, October 26, 1949.
[Received October 26—1:42 p.m.]

1827. Mukden Hsin Hua radio Chinese-language broadcast October
25 carried two following news items:

(1) Shenyang 11 despatch. On October 11 there occurred Shen-
yang incident in which Ward, American national and formerly
American Consul General [at] Shenyang during bandit Chiang 12
occupation period, directed mob in beating up worker and caused
serious injuries to latter.

10 For information on latter case, see footnote 31, p. 384.
11 Mukden.
12 Generalissimo Chiang Kai-shek, President of the Republic of China until his
retirement on January 21 in favor of Vice President Li Tsung-jen as Acting
President.
Ward had withheld wages Chi Yu-heng \(^2\) and also discharged him without reason. On October 11, Chi Yu-heng went to Ward's office to demand wages due him. Ward not only refused to give wages to him but threw him off on shameless grounds that that place was "an American place" and dismissed worker was "without right to stay there". When Chi attempted to argue with him reasonably, Ward, acting in his imperialistic and barbarous manner, violently beat and insulted Chi Yu-heng and also incited four ex-Consulate employees, German named Kristan, Japanese-American Shiro Tatsumi, Italian Cicogna and American Rehberg, to take Chi into custody and put him in building where he was beaten with fists and feet by group. Chi Yu-feng, younger brother of Chi Yu-heng, who went to rescue was also beaten. After incident, the body of Chinese staff members and workers promptly reported case to People's Government. When people sent by Bureau of Public Security and People's Court of Shenyang People's Government arrived at scene to mediate, laborer Chi Yu-heng had already been seriously injured and was lying at foot of staircase leading to Ward's office. Examination revealed that laborer Chi Yu-heng had sustained concussion of the brain in addition to wound caused by instrument in right side of head and was unconscious. He had lost control of urination and his life was in danger. He was immediately afterwards sent to hospital for medical treatment.

The 35 Chinese staff members and workers of that place have already lodged stern written charge against violent act of Ward in beating Chinese worker by marshalling mob. For purpose upholding law of Chinese People's Republic and safeguarding human rights, Shenyang People's Government and public security organizations will immediately take action to investigate case according law.


Commentary states, "We Chinese people sternly protest against this violent act and will back up People's Government in meting out to criminals headed by Ward legal sanctions due them. Since Chinese people have strength to rid themselves of domination imposed on China by imperialism, so also they have strength to punish imperialist elements who dare to act barbarously and tyrannically within China's boundaries".

Comment further pointed out "violent act of Ward and American special [service] case unearthed short time ago in Shenyang\(^3\) have given us profoundly to understand that American imperialism has determined the enemy of Chinese people and would to end never take defeat willingly, but will create troubles by every conceivable means, do utmost to effect sabotages and open provocations. All kinds of mean and shameless measures might be used. We must increase our vigilance in face of their malicious and shameless plots and must promptly shatter them (plots)."

Sent Department; repeated Shanghai 1097.

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11 Chinese messenger at the Consulate General.
12 See telegram No. 1039, June 19, from the Consul General at Peking, p. 965.
123 Ward, Angus I.: Telegram

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

PEIPING, October 27, 1949.
[Received October 27—2:56 p. m.]

1837. ReContel 1827, October 26. Mukden Hein Hua radio Chinese language broadcast October 26 carried following items:

(1) (Shenyang despatch) After news that American imperialist element and American national Ward committed an unreasonably violent act and gathered mob to beat up and injure Chinese laborer Chi Yu-heng was published here, people of all walks of life in Shenyang have been exceedingly excited and infuriated. Recalling American espionage case taking place in city short time ago, they hold that incident has once more proved that American imperialists will make troubles with Chinese people to very end by using every conceivable means, which fact merits serious vigilance. Moreover, they unanimously demand that People’s Government promptly punish these criminals.

"Strictly suppress espionage activities" meeting, called by branch office of Federation of Labor of Shenyang RR Administration Bureau, decided to issue circular telegram in name of meeting protesting against the violent act of American imperialist element. Workers of various mills of Northeast Machine Control Bureau, who are in midst of eager campaign for creating new records unanimously stated that they would not readily conclude this matter with this imperialist element and that they would exert themselves in production to work for tight coordinated eradication of all imperialist aggressive plots.

Workers of Telecommunications Machine Factory and Northeast Post and Telegraph Administration Bureau, in meetings of all workers, unanimously manifested their determination to support Chi Yu-heng with action. In course of meetings, workers contributed over one million dollars as comfort fund for Chi.

Students of Shenyang Agricultural College and all municipal lower and middle schools also held separate discussion meetings in which they stated that Chinese people no longer tolerate insults and will definitely mete out severe punishment to criminal Ward and struggle to end with American imperialism. Entire body of teachers and students of Shenyang municipal second middle school, over 100 persons, jointly issued statement of protest. Students of Shenyang Agricultural College have meanwhile launched drive for contributions to comfort laborer Chi Yu-heng.

(2) (Shenyang despatch) After occurrence of violent act of American national Ward, responsible member of Shenyang Municipal Federation of Labor gave talk:

"With respect to this kind of provocative and violent behavior of Ward, apart from requesting that People’s Government promptly summon him to trial and punish him according to law to uphold national laws, we would once more warn that, if any imperialist elements dare to act in evil manner in territory of our country and in Shenyang, they will definitely meet opposition of wrath of whole of Chinese people as well as legal sanctions of Chinese People’s Re-
public. Let them realize that we great Chinese people are not to be insulted at will."

"On behalf of entire body of workers in Shenyang, we express our intimate consolation for two laborers, Chi Yu-heng and Chi Yu-feng, and moreover pledge ourselves to back them up. We will certainly make Ward bow in apology before working class. Let them realize that Chinese people have already stood up [apparent omission] time for imperialism to behave tyrannically in China has already gone for good."

Sent Department 1837, Shanghai 1105, to Tientsin by mail.

CLUBB

123 Ward, Angus I.: Telegram

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

PEIPING, October 27, 1949—5 p. m.  
[Received October 27—6:30 a. m.]

1838. ReContels 1827, October 26, and 1837, October 27. British Consul [at] Peiping has received wire from colleague [at] Mukden confirming Ward and Rehberg are charged with assault Chinese.

There are several missing numbers in Mukden telegraph series (serviced several days ago). Pertinent messages may have been help [held] up. Tentatively estimate that (1) there probably occurred some minor incident involving Chinese laborer Chi Yu-heng; (2) incident as per Commie practice been substantially blown up; (3) Ward and others charged will probably be tried in People's Court; (4) after due sentence "in accord with People's laws" sentences Americans particularly may be suspended and (5) Mukden Consular personnel may then be "expelled" from country in something approaching public disgrace or at least those involved present incident.

ReContel 1805, October 24, recommend I be authorized soonest make projected call Foreign Office to take up this case inter alia.

CLUBB

123 Ward, Angus I.: Telegram

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

PEIPING, October 28, 1949.  
[Received October 27—8:27 p. m.]

1839. ReContel 1837, October 27. Following received late yesterday evening as Mukden's 89, 24th:

"Consul General Ward, Rehberg, Tatsumi and two European employees removed by police for 2 or 3 days connection their alleged as-

15 Ante, p. 839.

552–963—78—63
sault Chinese employee. Sent Washington, repeated Peiping 89. Stokes \textsuperscript{16} for Ward.\textsuperscript{37}

Repeated hereby despite original routing provide against possible transmittal delay.
Sent Department 1899, Shanghai 1106.

123 Ward, Angus I.: Telegram

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

WASHINGTON, October 28, 1949—6 p. m.

750. Reurtel 1839 Oct 28, you shld query Stokes at Mukden present situation Ward and other employees removed by police and whether yet released, requesting you be informed continuously all developments, and rpt Dept at once all info recd.

You shld also immed ask for appointment with Chou En-lai or other high official dealing with Fon affairs to make oral representations, quoting info recd from Amer Cons official at Mukden and Chi press reports that Ward and other employees removed by police. Request authoritative info for transmission ur Govt and inquire specifically whether Ward and other employees still held and if so where.

You shld then point out salient facts in this case along lines ur 1601 Sep 23, stressing isolation of staff in Cons compounds for nearly a year, US Govt's decision in May to close Mukden office, continuous efforts since that time withdraw staff, specific assurances June 21 re transportation facilities and continued refusal, without extenuating circumstances, of Mukden auths abide by their assurances or even indicate what their intentions were. Point out in connection present reports that pretext for isolation of staff was itself based upon alleged necessity protect personnel.

Point out that in ur reply Oct 8 \textsuperscript{37} to Gen Chou's letter you had taken occasion make approach to responsible Commie leadership which cld not reasonably admit of evasion. Arbitrary action by Chi Commie auths against Amer Cons officials at Mukden and their continued failure to provide facilities for withdrawal even after giving express assurances that regard is viewed by US Govt with greatest concern. Inquire specifically whether these actions, contrary to established principles international comity, are to be considered as manifestation of hostility toward US and its nationals in China, incl the northeastern provinces.

\textsuperscript{38} William N. Stokes, Vice Consul at Mukden.
\textsuperscript{16} See telegram No. 1707, October 10, 3 p. m., from the Consul General at Pieping, vol. ix, p. 117.
In conclusion state that US Govt requests and fully expects highest Chi Commie auths, in accordance international law and practice, take appropriate measures to cause Mukden auths release Ward and other employees immediately, promptly extend transport facilities for removal from Mukden of all personnel Amer ConGen, with their personal and official effects, and afford them full freedom of movement in carrying out their official instructions in this regard.

In view urgent need of action you shld take this matter up individually. Other questions receiving Dept’s consideration.

ACHESON

123 Ward, Angus I.: Telegram

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

PEIPING, October 29, 1949.

[Received October 29—7:45 a. m.]

1854. ReContel 1853, October 29 and Contel 1847, October 28.\(^{18}\)

Tung Pei Jih Pao (Northeast Daily, Mukden) October 25 carried following news item on joint charge filed by 35 Chinese workers and employees against Ward:

After outbreak of incident in which American national Ward committed violent act, 35 Chinese workers and employees of former American Consulate at Shenyang sent out charge. Original text of charge has been secured and is as follows:

“Statement of charge: To Shenyang Municipal People’s Government: We beg to bring charge against former American Consul General [at] Shenyang Ward, who unreasonably discharged worker named Chi Yu-heng, refused him annual leave payment, wage deductions, and separation allowance and, moreover, led mob in beating up Chinese worker at 8 a.m., October 1 [II], 1949, culminating in incident in which he caused bodily injury to worker. We earnestly request that People’s Government try case in accordance with law in order to protect human rights and uphold sovereignty of our fatherland. Such are facts of charge.

On September 27, 1949, Ward ordered workers to dismantle house. There was found therein reinforced concrete pillar. Ward personally handed hammer to Chi Yu-heng, instructing him to demolish it himself without any aid. When Chi, having beaten and hammered at pillar for half day, had exhausted himself and could not continue, workers Wu Han-chang and Yu Yung-pin offered to help Chi. Thereupon, Ward ordered that other persons were not permitted to assist Chi, who should work all by himself. Ward together with Hubbard\(^{19}\) and others then looked on from upstairs of building and jeered. That Ward forced Chi Yu-heng to do work beyond his physical strength constitutes concrete manifestation of oppressive exactions of Chinese

\(^{18}\) Neither printed.

\(^{19}\) Fred E. Hubbard, Vice Consul.
people by imperialists. At time when Ward, Hubbard and others were ridiculing Chi in building, latter stated: 'This is really an insult to Chinese people. He made me do this job under unreasonable duress; I really cannot do it.' At this Ward seized opportunity and expelled him from building at No. 38, San Ching Lu. Unable to do anything about it, Chi moved to live in SVOC compound. Next morning, Ward told Chi: 'You refused to work. I have terminated your service. You are now unqualified to remain in American Government buildings.' Chi explained to Ward that it was not that he refused to work but merely that he could not perform work which he was incapable of doing all by himself. Ward paid not the least attention to what he said and violently pushed and dragged him out of his office. In spite of repeated requests by Chi for settlement of wages, annual leave payment, separation allowance, and wage deductions due him, Ward refused to pay anything except some wages on pretext that Chi was discharged on account of delinquency.

On October 10, 1949, when Chi had already lived as guest for 2 weeks in SVOC compound, Ward had still ignored his request. Under circumstances, which Chi was unable to do anything to improve, Chi visited Ward for second time to demand payment of the wages, annual leave payment, and separation allowance due him. Ward still insisted that he would pay him only his wages but not annual leave, separation allowance and wage deductions. He also pushed Chi out of his office. Hence, no results were obtained that evening.

On morning of October 11, after Ward came [to] building at No. 38 San Ching Lu, Cicogna, an Italian national, told Ward that Chi had not left there the previous night. Feeling his dignity thus hurt, Ward summoned Chi Yu-heng at 3:15 [8:15?] a.m. and cursed: 'Middle-headed egg, get out.' Together with Cicogna, he pushed Chi down cement staircase on west side of former American Consulate building at No. 38, San Ching Lu. When they reached entrance of building downstairs, Shiro Tatsumi also joined group and beat Chi. This was witnessed by workers Chang Chung-yang, Fang Pin-ching and Queh Han-ri [Kuei Han-ji?]. About 9 o'clock, Ward called Chi up to accounts office upstairs, where Rehberg pressed Chi's hand to sign for drawing money. Finding that sum was deficient, Chi asked for payment of whole sum. Rehberg then said, 'If you refuse to take money, get right out.' So saying he pushed Chi violently few steps backward. Seeing that Chi refused to go, he called Ward to place. As soon as Ward appeared he started beating and kicking Chi. When worker Sun Heng-li saw this, he hurried downstairs to tell Chinese workers and employees and asked them to rescue Chi. When they arrived, Chi had already been knocked down in middle of staircase leading to Ward's office. Ward and others were still holding Chi down and beating him. Chi Yu-feng, younger brother of Chi Yu-heng, who intended to go upstairs to mediate, was stopped before staircase and beaten by Rehberg, Kristan in meantime also came and dealt blows to Chi. Seeing that Chi Yu-heng had been severely injured by Ward and others, we hurriedly sent a worker to report case to Shenyang People's Government Bureau of Public Security of Shenyang Municipal People's Government and People's Court then sent their officials to No. 38 San Ching Lu to mediate and investigate on spot. Results of

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20 Standard Vacuum Oil Co.
physical examination made by law court doctor showed that Chi Yu-heng had sustained an injury on his forehead and bruises on his buttocks. Due to concussion of brain from heavy beating on head Chi had become unconscious, lost control over urination and passed water in his trousers. Fact of the beating of Chinese workers by mob led by Ward and of inflicting of serious injuries on this worker was not only witnessed by plaintiff and all Chinese workers and staff members in No. 38 San Ching Lu but has been substantiated by examination of Bureau of Public Security of People's Government and People's Court. May be said that neither witnesses nor evidence are lacking. Ward's beating of Chinese worker and infringement of human rights is consistent with his behavior. When bandit forces of Chiang were still occupying Shenyang, Ward, relying on domination of Kmt reactionary group, had on several occasions violently beaten Chinese workers CPN [sic].

(1) Toward end of March, 1947, Ward arrived in Shenyang by train via the Peiping-Mukden line. On alighting from train at Shenyang north station, in order to find out if his method of enslaving and oppressing the Chinese people characteristic of imperialists, which he frequently had recourse to 15 years ago when he served as the Consul at Shenyang, was still good, no sooner had he stepped down from train than he beat up a porter by name of Yang on railroad platform. This incident was witnessed on spot by worker Sun Heng-li of former Consulate.

(2) On morning following his arrival in Mukden, Ward ordered a Chinese worker Sun Heng-li to Shenyang north station to bring back his baggage. When baggage was brought to No. 38, San Ching Lu, he beat up driver of horse-carriage which carried baggage. Afraid of provoking unfortunate incident, man swallowed his anger and departed. Incident was witnessed by Sun Heng-li, Yueh Shan-yi and Hao Tze-heng who happened to be around.

(3) On June 2, 1947, Ward personally drove off stall-keeper [named?] Sung who ran cigarette stall on south side outside entrance of house No. 38, San Ching Lu. When Sung refused to budge, Ward beat him with fists and feet and kicked over his stall. After chasing stall-keeper all over street, he finally cut shed over stall with knife. This incident was witnessed by Yueh Shan-yi who happened to be on spot.

(4) On June 28, Ward ordered Lo Hsi-luan, worker of former Consulate, to clear away his cigarette stall. When Ward found that Lo had failed to carry out his bidding, he took Lo by ear, led him into his office and kicked him twice. Fortwith, he issued instruction to have Lo discharged. Since there was nowhere to seek redress, Lo left former Consulate in anger without uttering a word. Ward did not pay Lo money due him. Latter had worked for former Consulate for more than 18 years and since time of his discharge, he has neither received retirement money due him nor the retirement deductions made from his monthly wages up to June 28, 1947, when he was discharged. Two years have elapsed up to present throughout which time Ward held office; but Ward has not yet issued to Lo aforementioned deductions.
(5) On February 6, 1948, former Consulate bought some coal. When coal cart pulled into yard of house No. 38 San Ching Lu, Ward for some reason beat up horse driver. He also broke his whip and flung stick into western courtyard of house No. 38. The incident was witnessed on spot by Yueh Shan-yi, Sun Heng-li and Huo Wei-hsin.

As result of incident in which American national Ward led his alien employees, Kristan, Cicognia, Shiro Tatsumi and Rehberg, in beating Chinese worker Chi Yu-heng and causing him serious injuries, Chi himself, who had sustained excessively serious injuries, Ward sent to hospital for quick remedy. The undersigned, who are all staff members and workers of former American Consulate at Shenyang, can no longer tolerate Ward’s persistent oppression and beating of Chinese laborers in general and his imperialist and barbarous act of beating and causing serious injuries to worker Chi Yu-heng in particular. Hence, we are sternly filing this charge with People’s Government. It is hoped that People’s Government will from standpoint of safeguarding human rights and upholding laws of new China, mete out to Ward and others punishment due them in accordance with law."

Petitioners: Entire body of workers and staff members of No. 38 San Ching Lu, October 11, 1949.

Signatures. (Signatures omitted) Will be forwarded if Department desires.

To Tientsin by mail.
Sent Department 1854, repeated Shanghai 1115.

CLUBB

123 Ward, Angus I. : Telegram

_The Consul General at Peiping (Clubb) to the Secretary of State_

PEIPING, October 29, 1949—1 a. m.
[Received 7:45 a. m.]

1856. ReContels 1838, October 27 and 1858, October 29.21 Believe it necessary, in light developments, take into consideration possibility efforts will be made demand court action against Ward and others, against whom 35 petitioners will presumably give evidence touching aspects their activities unrelated charge of assault, to show other allegedly evil aspects American consular administration such as espionage (see Contel 1039, June 19).

Letter of October 26 received by British Consul from his Mukden colleague Steventon 22 reports latter on 26th renewed his request local authorities see Ward. First request appears have been made on or about 19th. Steventon notes regarding matter regular presence strong guards outside Consulate and understood presence such guards inside

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21 Latter not printed.
22 Leve Steventon, British Pro-Consul at Mukden.
building as well, which fact would seem make unlikely occurrence any major altercation involving Chinese staff. He reports further local press 26th carried no further publicity on subject but more cartoons showing wild animal labeled “US” being caged.

CLUBB

123 Ward, Angus I.: Telegram

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

PEIPING, October 29, 1949.
[Received October 29—5:24 a.m.]

1887. ReContel 1854, October 29. Following messages sent Mukden:

To Ward October 26:

“Shenyang radio report October 25 states incident involving you occurred October 11. Assume that in such case you will report details by mail but please telegraph brief report early date for information Department.”

To Stokes October 28:

“Receipt yesterday acknowledged urtel 89, October 24. (urtels 51, 61, 71, 80 and 84 through 88 missing). Department informed; please inform whether telephone available you and if so phone number.”

To Stokes October 29:

“Reurtel 89, October 24. Local press today states Ward and others to be tried by People’s court. Have they been returned to their quarters? Please inform continuously all developments for information Department.”

No message received from Stokes since his 89, October 24.

To Tientsin by mail.

CLUBB

123 Ward, Angus I.: Telegram

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

PEIPING, October 30, 1949—noon.
[Received October 30—8:13 a.m.]

1859. ReDeptel 750, October 28. Am sending letter Chou En-lai early tomorrow asking for interview himself or deputy “under instructions my Government.”

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See telegram No. 1889, October 28, from the Consul General at Peiping, p. 987.

October 12, not sent; for text, see p. 981.
ReContel 1787, October 21. Re the reported Lo Lung-chi had feared take up Mukden matter direct with Chou but by indirect inquiries had obtained certain information considered by reliable, indicating policy re Mukden is determined and hardly alterable. said (indubitably against background Lo [Lung-chi]) there is difference between authority exercised by Chou in China proper and in Manchuria. Chou would probably be unable do anything change policy; would have to refer question elsewhere, perhaps Mao Tse-tung. Acknowledged in response question perhaps even Soviets might have been consulted. Reason for holding consular staff unclear, but perhaps designed keep them there until certain information they possess has lost its value. Will be released in good time but this probably means end this year or next spring. Indications are authorities have grasped excuse of minor incident bring Ward and others before People's Court. They may now be found guilty, forced make compensation injured party, then sent out of country—which would be good denouncement. concluded that all foreigners of countries failing recognize China will find it harder going henceforth, but Peiping should still be better than Mukden. Indicated that he was for present largely breaking off contacts with such foreigners.

Re penultimate paragraph Deptel, note that it has already been publicly announced Ward and others to be tried by People's Court. This was presumably decided even at time matter was first made public October 25, otherwise incident which had occurred 2 weeks before would have passed without publicity. Believe demand in circumstances for immediate release would bring so definitely into play question Communist "sovereignty" and competence court that it could only aggravate situation, fail of aim and perhaps lead to increased sentences. Therefore, request authority change that request to representations pointing to established international law and practice, noting regular presence guards over concerned Americans, indicating case is of such character that it should be possible readily settle matter in accord law and established practice even without court action, requesting that Ward et al. be given opportunity see British Consul acting on behalf American interests Mukden and that on settlement matter, Ward and other employees and dependents Mukden office will promptly be given transport facilities for withdrawal themselves and effects from China.

Believe also that it would be preferable in present interview (if obtained) omit reference Communist hostility; that efforts should be made in such first interview put matter on reasonable basis and obtain clarification and progress toward our goal of getting Mukden staff

24 Not printed.
out of China; and that particularly because of possible developments before hypothetical date of interview, my authority should be left flexible to permit me develop matter in interview largely at own discretion. Therefore, likewise recommend restraint in official statements to press, though feel it would be well now review briefly situation to show men have been virtually prisoners for nearly year, that they were under guard at time alleged incident, that certain charges have been made, but their own version unreported, that matter their position was brought attention Communist authorities Peiping after establishment Communist government in note to Chou (which might now be released without further comment), that Department is following new development closely and endeavoring first obtain clarification, and that British consular representative Mukden has asked see Ward and others.

Note possibility Soviets may be behind delay after June 21 line development present incident. Matter in such case would reflect higher policy directed and still unknown. Real design as regards use to be made of incident respecting consular personnel should shortly be discernable. Note offense of itself, even if as charged, hardly warrants serious action against Ward et al., and that after 1 year of incarceration, it would be hardly congruous try develop espionage charges. One might deduce from sequels to previous similar Communist outbursts that this development may be procedure designed by Communists to get them credit for “ejecting imperialist elements from China”. But flexibility on American side seems requisite for immediate present.

Believe, if interview not forthcoming within week, I should make written representations along lines indicated above.

Please instruct.

Clubb

123 Ward, Angus I.: Telegram

The Consul General at Tientsin (Smyth) to the Secretary of State

TIENTSIN, October 31, 1949—3 p. m.
[Received November 2—6:09 a. m.]

890. Items re Ward at Mukden appeared in Tientsin press October 30 similar to those reported in Peiping telegram 1827, October 26.

Some Chinese here privately express opinion present agitation against Ward is build-up preparatory to “expelling” Ward and other members of ConGen staff from Mukden as face-saving device.

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

SHANGHAI, October 31, 1949—5 p.m.
[Received 7:42 p.m.]

4618. Reference plight Consul General Ward at Mukden. Presumably, Department hesitant to issue strong refutation Communist charges while Ward kept incommunicado and unable to relate true version alleged incident.

If Department is considering issuance strong condemnation Communist action and wishes receive any evidence tending to show that Communists will not scruple to fabricate charges and incidents out of whole cloth when it serves their purposes, experience of this Consul General during siege by ex-Navy employees last July 26 may be of interest. Press accounts at that time as well as at time of arrest of Vice Consul Olive earlier in July 27 offer strong corroboration of theory that Communists do not hesitate to publish out-and-out lies in order to exploit situation at opportune moment.

Best local example of outright mendacity occurred when Shanghai and Nanking press gave their version of interview of undersigned, then Acting Consul General, with representatives ex-Navy employees on afternoon July 29. Actual fact was that at end of my statement to workers, one of them seized letter knife from my desk, worked himself into hysterical frenzy, brandished it about threatening me and then threatened to stab himself with it, shouting that it was better to commit suicide than to starve to death. I stood with my arms folded throughout this exhibition. Press version (see Nanking’s 1677, August 1 28) was that “deadlock lasted into evening when quite unexpectedly McConaughy revealed countenance of an imperialist and drew out a knife to threaten employees”.

If Department wishes to refer to this in official statement or on VOA as example of gross Communist fabrication of alleged incident, Consul General has no objection.

McConaughy

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

WASHINGTON, October 31, 1949—7 p.m.

757. Dept concurs suggestions nr 1859 Oct 30 re modification Deptel 750 Oct 28 and leaves to ur discretion manner in which question Ward’s

26 For information on this subject, see telegram No. 2614, July 6, 10 a.m., from the Consul General at Shanghai, p. 1196.
27 For information on the case of Vice Consul William M. Olive, see telegram No. 2646, July 7, from the Consul General at Shanghai, p. 1202.
28 Not printed.
position Mukden developed during any discussion with Chou or other Commie officials or in written communication to Chou. Dept of opinion, however, that it undesirable give Commies impression US Govt acquiesces in People’s Court exercising jurisdiction over Ward. Also believes you shld inter alia request full information re detention Ward and if as implied ur 1887 Oct 29 communications with Mukden again cut you shld request restoration. In view serious nature matter and widespread interest in US regarding it, Dept believes you shld not delay written communication for week if interview not promptly forthcoming.

ACHESON

123 Ward, Angus I.: Telegram

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

PEIPING, November 2, 1949.

[Received November 2—8:36 a. m.]

1893. Stokes’ 94, October 28 follows:

Please repeat to Department as No. 12, Mukden telegram 89 to Peiping, October 24; inasmuch I today requested telegraph office return copy addressed Department at urgent rate. Urtel 88, October 26 received yesterday evening, Mukden telegram 90 to Peiping, October 12 contained Consul General Ward account incident day previous: Confirmation copy mailed yesterday. Officer administering confinement this office today called and returning my letter to Ward (Mukden telegram 91, Oct. 26) stated in translation “Inasmuch Ward has been taken away he is not allowed to receive visitors or communications. No further attempts to visit or communicate with Ward should be undertaken.” Officer then stated my letter yesterday (telegram 92 to Peiping yesterday) re inability pay salaries tomorrow without Ward signature had been delivered to mayor.

Sent Dept 1893, repeated Shanghai 1135.

CLUBB

123 Ward, Angus I.: Telegram

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

PEIPING, November 2, 1949—6 p. m.

[Received November 2—8:26 a. m.]

1899. ReDeptel 757, October 31, no action yet on request for Chou interview. Communists took four days act on French request for

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30 See telegram No. 1889, October 25, from the Consul General at Peiping, p. 987.
31 Not transmitted to the Department.
32 Not sent; for text, see p. 981.
33 See telegram No. 1900, November 2, from the Consul General at Peiping, p. 999.
34 Not printed.
interview, two on Dutch. Department's announcement to press October 29 that I was being instructed to take up matter high Communist authorities probably monitored here, may cause Communists adopt Moscow policy or refrain Soviet fashion from replying while they handle Mukden matters as planned. Will forward letter to Chou on subject tomorrow in absence interview.

Will of course not give impression of American acquiescence exercise People's Court jurisdiction, merely feel it injudicious make that point present issue. Since Mukden still has limited telegraphic facilities, believe better omit that for present. ReDeptel October 13, 10 p. m., also informing re closure offices, as pertinent.

ReContel 1881, November 1, invite attention possibility Soviets causing Chinese thus treat Ward as counter to action taken against Soviet officials USA. Attempt tar him in process might reflect some Soviet animosity against him personally dating back to period his service USSR. Situation of course more dangerous if, despite implied Chinese Communist desire expel him reported Contel 1879, November 1 Soviets try pin espionage tag on him.

ReContel 1810, October 24, French Consul Mukden at his last report still in non-receipt permit travel Peiping.

CLUBB

128 Ward. Angus I. : Telegram

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

WASHINGTON, November 2, 1949—6 p. m.

766. Dept considering instructing Moscow approach Sov FonOff outlining general circumstances re ConGen Mukden and requesting Sovs exercise good offices ascertain reasons continued Commie failure permit Ward and staff depart and to facilitate departure. Ur comments wld be appreciated.

ACHESON

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*Not printed.

*For information on revocation of exequatur of Soviet Consul General at New York, see Department of State Bulletin, August 29, 1948, pp. 251–253; for information on closing of certain consulates in the United States and the Soviet Union, see ibid., September 26, 1948, p. 408; for information on arrest of Soviet citizen employed by the United Nations Secretariat, see ibid., May 15, 1949, p. 636.

*Repeated to the Ambassador in the Soviet Union as telegram No. 814.
CONSULATES IN OCCUPIED AREAS

123 Ward, Angus L.: Telegram

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

PEIPING, November 2, 1949.
[Received November 2—5:42 p. m.]

1900. Following is Stokes' 91, October 26, just received:

"Officer arresting Consul General Ward, Rehberg, Tatsumi, Cicogna, and Kristan (Mukden telegram 89, October 24) presented warrants issued by Mukden police commissioner based upon investigation reported Mukden telegram 80, October 12. Later same day officer returned and stated accused would be held 2 or 3 days. He accepted individual packages food, clothing, and bedding which addressee received yesterday. 'Today am preparing further food packages for transmission tomorrow morning."

No reply yet received letter to mayor requesting permission visit Consul General, reference Mukden telegram 90 yesterday. Attempting communicate with Consul General by letter. Delegation Chinese staff (which has not ceased work stoppage initiated October 11, reference Mukden telegram 84, October 19) today read sight English translation local newspaper article regarding October 11 incident. Indicate transcription article being mailed to you tomorrow. Will report developments by daily telegram. Only telegram sent Department from Mukden this month has been Mukden number 89 to Peking, October 24. Urgent keep Department fully informed."

Tientsin by mail.

Sent Department 1900, Shanghai 1137.

CLUBB

123 Ward, Angus L.: Telegram

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

PEIPING, November 3, 1949.
[Received November 3—2:23 a. m.]

1902. ReContel 1901, November 2. Kuang Ming Jih Pao November 3 carried Mukden NCNA November 2 despatch translation as follows:

Incident in which American nationals in Shenyang led by Ward assaulted Chinese worker has been transferred from public security organization of People's Government to Shenyang Municipal People's Court for trial in accordance with law. While under detention and interrogation by municipal public security organization, principal offender and accomplices Ward, Kristan, Cicogna, Tatsumi and Rehberg tried every means possible to evade and repudiate their criminal action of every Chinese worker. Public security organization, in

29 Not sent; for text, see p. 981.
30 Not transmitted to the Department.
31 Not printed.
32 New China News Agency (Communist).
accordance with judicial procedure, on October 31 formally presented case to Shenyang Municipal People’s Court for trial. People’s Court has formally accepted case and put five criminal offenders led by Ward under detention. Preliminary hearing has already been conducted.

Sent Department 1902, Shanghai 1139; by mail to Tientsin.

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123 Ward, Angus I.: Telegram

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

PEIPING, November 4, 1949—noon.
[Received November 4—3:28 a.m.]

1909. ReContel 1899, November 2. Sent letter Chou En-lai last night. Text by next telegram Peiping number series. Recommend text not be released immediately but suggest Department might now release text letter October 8. Say new communication on subject was sent Chou under date November 3.

ReContel 1759, October 17. Suggest further, time has now come exercise real pressure, if available. Would recommend Department consider desirability of SCAP’s temporarily holding up, if feasible, all commercial negotiations and permits regarding trade between China and Japan without explanation or publicity (which would alike commit USA to certain policy and make matter public issue on which USA and Communists would be forced take official stands), pending release Ward and others from police custody and departure personnel from Mukden. Believe Communists would quickly get point without need of explanation, but absence American policy statement would make it possible for USA readily reverse or adjust tactics if found ineffective.

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CLUBB

123 Ward, Angus I.: Telegram

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

PEIPING, November 4, 1949.
[Received November 4—5:16 a.m.]

1910. Text letter November 3 Ward case follows:

“In my letter of October 8, 1949,” I brought to your attention the matter of the isolation, since November 1948, of the American consular

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40 infra.

41 See telegram No. 1707, October 10, 3 p.m., from the Consul General at Peiping, vol. ix, p. 117.

42 Supreme Commander, Allied Powers in Japan (MacArthur).
compounds at Mukden, of Consul General Angus I. Ward and his entire staff. Under instructions of my Government, I would now invite your attention to the circumstance that, according to information received from a member of the Mukden staff, Mr. Ward, Foreign Service clerk Ralph Rehberg, and mechanic Shiro Tatsumi, and alien employees Franco Cicogna and Alfred Kristan, were removed by police on October 24 on the charge that they had assaulted one of the Chinese personnel of that office. It was stated by the police at the time that they would be held for 2 or 3 days.

"It is requested that I be supplied with authoritative information regarding the matter in point for transmission to my Government. It is requested particularly that I be informed whether Mr. Ward and the other consular employees are still held, if so, where. I invite your attention to the fact that the personnel in question have been isolated in their compounds under guard since November 20, 1948. As a consequence, the United States Government decided in May of this year to close the American Consulate General at that point, which fact I communicated to the General Headquarters of the People's Liberation Army in a communication of May 19, 1949. Mr. Ward was appropriately instructed at the same time by the Department of State. The Mukden authorities, through the director of the Alien Affairs Office, on June 21 informed Mr. Ward that he and his staff would be permitted to depart Mukden with moveable property, and that upon the presentation of lists of staff and property to be evacuated, railway transportation would be provided. Mr. Ward was asked to designate the departure date for staff and property.

"Mr. Ward on July 19 notified the authorities that 13 of his staff were prepared to depart on July 27, the others to remain behind until there had been completed arrangements for the packing and shipment of effects. That request was renewed on August 12, with the departure date fixed for August 17. Those transportation facilities were, in fact, not provided. On September 3, after completion of packing, Mr. Ward sent a formal letter to the Mayor of Mukden requesting rail transportation to Peiping and Tientsin for himself and staff and dependents, excluding persons left behind in custodial capacity, with their baggage and American Government property. To date those facilities have not been provided by the Mukden authorities.

"In short, the Mukden authorities have continued to refuse, without explanation or extenuating circumstances, to abide by their assurances of June 21 or even to indicate their intentions. Acting again under instruction of my Government, on September 22, 1949, I sent a letter to Commander in Chief Chu Teh 42 in respect to the matter in point, requesting that appropriate measures be taken to cause the Mukden authorities to extend promptly the transportation facilities required for the removal from Mukden of the personnel of the Consulate General and their personal and official effects. In my reference letter of October 8, I took occasion to indicate the grave concern with which the United States Government regarded the arbitrary action of detention by the local authorities of American consular officials at Mukden and the continued failure of the Mukden authorities to provide facilities for withdrawal even after giving express assurances.

42 See telegram No. 1601, September 23, from the Consul General at Peiping, p. 979.
The latest developments render more urgent still the taking of appropriate action to bring the matter to a speedy settlement. It is noted particularly that Mr. Ward and the others charged with the assault were, at the time of the alleged offense, still in close guard, and that they have had no opportunity to report their version of the incident. And, be it noted, the present development follows upon the action of the Mukden authorities in detaining for nearly 1 year the American and non-American personnel of the Consulate General at that point under close guard, which action was in the first instance said to be because of the need [of] according them 'protection', in clear violation of established principles of international comity and practice respecting treatment of foreign consular officials. It is requested that this matter be brought to the attention of the highest authorities to the end that there shall promptly be taken appropriate measure to bring this matter to a speedy settlement. It is requested particularly that the British Consular Representative at Mukden be given the opportunity to see Mr. Ward and the other persons charged with assault, if they are still detained by the police, that the matter be handled in accord with established principles of international law and practice respecting treatment of foreign consular officials, and that the promised transportation facilities for removal from Mukden of the personnel of the Consulate General with their personal and official effects be provided. In view of the serious nature of this matter and the widespread concern it has caused in the United States, I would emphasize my request for prompt action.

"I take this opportunity to inform you of the recent closure of the American consular offices located in Tihwa, Hankow and Dairen and the impending closure of the office at Tsingtao. The office at Mukden will be formally closed as soon as feasible. The British consular authorities in those several points have taken over, or will take over at the time of closure of the related American consular offices, matters pertaining to American interests."

CLUBB

123 Ward, Angus I.

Memorandum by the Assistant Secretary of State for Far Eastern Affairs (Butterworth) to the Under Secretary of State (Webb)

[WASHINGTON,] November 4, 1949.

Reference is made to your memorandum of October 31 respecting your conversation with the President regarding the evacuation of American citizens from Formosa and the position of Consul General Ward and his staff at Mukden. The former is being discussed in a separate memorandum. The following comments with respect to Ward's position may be of interest to you and helpful in the event that you discuss the matter again with the President.

For documentation concerning the closure of Consulates at Tihwa, Hankow and Tsingtao, and Dairen, see pp. 1303 ff., pp. 1122 ff., and pp. 860 ff., respectively.

Vol. ix, p. 1355.

Not printed.
According to our latest information, Ward with two other American members of his staff and two aliens continues to be held incommunicado by the Chinese Communist police at Mukden.

Consul General Clubb at Peiping included the question of the continued detention of the staff of the Consulate General at Mukden in his letter of October 8\(^{48}\) replying to Chou En-lai's letter inviting recognition. Clubb is also endeavoring, so far without success, to discuss the case personally with high Communist officials. On November 3\(^{49}\) he again wrote Chou En-lai, reviewing the Mukden situation and making strong representations on Ward's behalf.

The Embassy at Moscow and Consul General Clubb have been asked to comment on the desirability of asking the USSR to exercise its good offices to ascertain the reasons for the long detention of the consular staff at Mukden and to facilitate its departure. Replies have not been received as yet. The possible use of an appeal to the United Nations is likewise being studied as a matter of urgency. It appears unlikely that an immediate remedy can be sought there.

On the basis of previous efforts to facilitate the departure of Ward and his staff from Mudjen, there is no special reason for optimism with respect to the measures described above.

There seems to be no means by which a plane could be sent into Mudjen, even with some utilization of force, for the purpose of rescuing our people there. They are closely confined and Mudjen, of course, is well inland and firmly in the hands of the Communists.

We have, in our examination of the problem, given thought to the threat of force, or if necessary the use of force as a reprisal to effect the release of our staff. There are two outstanding dangers with respect to such measures: (1) reprisal might well beget reprisal of increasing gravity and in a widening circle with the end point outright hostilities; and (2) the immediate effect of the use of force might well be to increase the danger to the persons whom we wish to aid thereby and to increase the danger to other Americans within the reach of Communist power. For these reasons we have considered it desirable to continue our efforts along less drastic lines.

123 Ward, Angus L.: Telegram

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

Moscow, November 4, 1949—6 p.m.
[Received November 4—11:04 a.m.]

2764. Although deeply aware urgently critical situation Consulate General Mudjen arising from detention Ward and four staff members

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\(^48\) See telegram No. 1707, October 10, 3 p.m., from the Consul General at Peking, vol. IX, p. 117.

\(^49\) See telegram No. 1910, November 4, from the Consul General at Peking, p. 1000.
(Deptel 766, November 2 to Peiping, repeated Moscow 814), we believe approach to Soviet Foreign Office will in all probability prove fruitless, and aside from opportunity it would give Soviets to proclaim their noninterference Chinese Communist affairs, might even react Ward’s disadvantage if Soviets should then feel their interest to support such disclaimer with tangible evidence of Ward’s continued imprisonment and persecution.

We note Radio Bulletin report that Clubb has been instructed contact highest authorities Peiping and we think this channel has only possibility success. Presume Clubb will endeavor convey to Chou En-lai impossibility of giving serious consideration to recognition question while CPG continues ignore basic principles international law, for example in treatment accorded our personnel Mukden, stressing pointless damage to CPG position through failure to release personnel and permit them to withdraw from Mukden.

Sent Department 2764; Department pass Peiping 18.

Kirk

123 Ward, Angus L.: Telegram

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

WASHINGTON, November 4, 1949—8 p.m.

774. From Amb Stuart. Pls transmit orally substance fol to Chang Tung-sun:

"Am appealing to you personally because of my concern over friendly relations our two countries now seriously damaged by unprecedented harsh treatment Angus Ward and all members Mukden Consulate General. Beginning almost a year ago they have been subjected to utterly unwarranted affronts and virtual imprisonment, followed by refusal to permit their departure and closure of Consulate, culminating in outrageous charges obviously intended to inflame popular sentiment against them and the country they represent. Even granting CCP ignore official consular status yet by all standards international relations and human decency they shld have been allowed to depart with safety. It may be difficult to restrain US public resentment longer unless proper settlement earliest possible. Urge you exert your influence to this end."

[Stuart]

Acheson

50 Central People’s Government (Communist).
51 Professor at Yenching University, Peiping, and a leader of the Democratic Socialist party.
52 In telegram No. 2010, November 16, 2 p.m., the Consul General at Peiping reported information that a letter would be written by Chang Tung-sun on the Ward case to Chou En-lai.
CONSULATES IN OCCUPIED AREAS

123 Ward, Angus I.: Telegram

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

PEIPING, November 5, 1949—noon.
[Received November 5—3:20 a.m.]

1922. ReDeptel 766, November 2. Believe approach by Moscow Embassy to Soviet FonOff re Mukden case would be useless on following grounds:

(1) Court aspect of case will presumably be over in near future unless Communists propose development espionage angle by “discovery new facts”.

(2) As is matter of general repute, Soviet influence Manchuria strong and as suggested Contel 1899, November 2, perhaps Soviets themselves are responsible for manner handling case.

(3) Soviets once previously refused intervene and could be expected refuse at present juncture (if on different grounds) when their China policy is diametrically opposed [to our?] own, and

(4) Such approach would therefore indicate American weakness and possibly bring deterioration rather than improvement situation Mukden personnel. Therefore recommend against proposed line procedure.

Peiping’s position is as set forth Contel 1909, November 4.
Department to pass Moscow at discretion.

CLUBB

123 Ward, Angus I.: Circular telegram

The Acting Secretary of State to Certain Diplomatic and Consular Offices 53

WASHINGTON, November 9, 1949—2 a.m.

You and selected members ur staff shld seek every opportunity in conversations with Chi likely have some influence on Chi Coms or source of info of Chi Commies express as ur personal opinion, and not on instrs from Dept, that Commie treatment Ward and staff Mukden certain create deep public indignation in US and that repercussions this aroused widespread feeling will inevitably lead to strong public demands for counter-action some nature. Discussions along these lines shld be conducted in manner to avoid giving impression planned campaign.

WEBB

53 At Hong Kong, Nanking, Peiping, Shanghai, and Tientsin.
The Consul General at Peiping (Clubb) to the Secretary of State

PEIPING, November 9, 1949—3 p.m.
[Received November 9—4:16 a.m.]


Letter still unacknowledged and no answer from Foreign Office to my letter of October 31 requesting interview.

CLUBB

123 Ward, Angus I.: Telegram

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

PEIPING, November 9, 1949.
[Received November 9—12:46 p.m.]

1958. Stokes’ 102, November 3, received Peiping today as follows:

"Deputation staff read short press articles stating Ward and others sent to People’s Court October 31 and preliminary investigation has been conducted by Chief Justice in preparation trial accused near future. Press comment uniformly demands Ward and others be found guilty and accorded severe punishment. Still have no access local newspaper and have today requested restoration delivery to American representative which suspended October 11.

"No reply yet received my request attend trial or to application for release accused to quarters pending trial (Mukden telegram 95, October 29). Remainder foreign staff required, by complete work stoppage all Chinese employees including servants since October 11, perform own cooking, stoking and cleaning as well as office functions including maintenance administration and interpretation. Staff meeting with success by hard work and cooperation."

CLUBB

123 Ward, Angus I.: Telegram

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

PEIPING, November 10, 1949.
[Received November 9—11:10 p.m.]

1964. Stokes’ 101, November 3, received today as follows:

"Investigation deputation presumably from People’s Court yesterday made detailed examination site Chinese incident and had Chinese staff this office reconstruct its testimony regarding events October 11.

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85 Not printed.
If my untrained interpretation Chinese language statements correct, staff testified Chinese thrown to ground and struck by accused, but both allegations contrary testimony Ward and others during police investigation October 11 (Mukden telegram 80 to Peiping, October 12, conforms to Ward testimony 55a)."

Sent Department 1964, Shanghai 1169.

CLUBB

123 Ward, Angus I.: Telegram

_The Acting Secretary of State to the United States Representative at the United Nations (Austin)_

WASHINGTON, November 10, 1949—8 p. m.

592. From Rusk.58 Fol is factual situation on ConGen Angus Ward:

ConGen Ward and entire staff of ConGen Mukden have been denied freedom of movement and under strict guard by Chi Commie auths since Nov 18, 1948 at which time all their communications with outside world were cut. Since July 1949 Commies have permitted ConGen limited _en clair_ telegraph facilities, but msgs inevitably delayed and many undelivered. Ward and four other staff members were removed by local police from Cons premises on Oct 24, upon basis alleged assault by Ward and other staff members on Chi employee. ConGen Peiping on Nov 3 made written representations high Commie officials Peiping on subject. Ward and others apparently still held in jail incommunicado, our Vice Consul Mukden having repeatedly been denied interview with Ward. Msg just recd states ConGen Peiping has now held one telephone conversation with Vice Consul Mukden who stated still has recd no info from Ward and rest of personnel. No knowledge when trial of jailed personnel contemplated by Commies will take place.

US Govt prepared to use all available pressure in effort to free Ward and colleagues. If forthcoming GA 57 debate on China gives rise to request from Chi Commie auths to send representatives to Lake Success, US Govt wld be faced with most serious difficulties if at time of Chi Commie request for visas Angus Ward and colleagues are still being held in gross violation elementary principles internatl comity. We do not wish to raise technical legal questions of applicability of agreements with UN re persons travelling on UN business nor to try to decide now the degree of misconduct which wld warrant US refusal of visas. We can anticipate very practical problem arising from fact that public feeling in this country is rapidly mounting over Angus Ward situation and that it wld be most difficult for US Govt or UN to

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55a Not sent; for text, see p. 981.
56 Dean Rusk, Deputy Under Secretary of State.
57 General Assembly of the United Nations.
make satisfactory arrangements for safe conduct and personal safety of Chi Commie representatives while Ward and colleagues are still being held.

I believe we have an obligation to SYG \(^{58}\) to inform him quite confidentially of this anticipated difficulty in order that the event will not catch either him or us by surprise. In discussing it with SYG, I suggest you not raise the legal problem and that if he raises it you reply merely that you are not trying to provide an answer to the legal problem but merely to apprise him in advance of what might be a troublesome situation.

I do not suggest that you ask SYG to take any action although he may himself decide to try to forestall such situation by finding way to urge release of Ward and others. [Rusk.]

WEBB

123 Ward, Angus I.

Memorandum by the Under Secretary of State (Webb)\(^{59}\)

[WASHINGTON,] November 14, 1949.

MEETING WITH THE PRESIDENT, MONDAY, NOVEMBER 14

ANGUS WARD CASE

The President indicated that he had been giving some further thought to the problem of the release of Consul General Angus Ward, that he felt we should thoroughly explore the possibility of blockading the movements of coal down the coast of China to Shanghai. He said he felt that if we prevented the movement of coal from Tientsin and another coal port, and prevented the entry of coal to Shanghai, the Communists would understand that we meant business, and release Ward. He indicated that he thought we would also gain considerable respect by this move internationally, and that this would make it more difficult for the British to act independently in connection with recognition and other problems. He said further that he felt sure we probably had both the ships and planes available in the neighborhood to accomplish this. I asked him how far he would be inclined to go, that is, would he actually use force to stop the coal traffic if they refused to obey orders from our Naval forces, and he said if we meant to go into this matter we should be prepared to sink any vessels which refused to heed our warning.

JAMES E. WEBB

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\(^{58}\) Secretary-General of the United Nations (Lie).

\(^{59}\) Copies transmitted to the Assistant Secretary of State for Far Eastern Affairs (Butterworth) for action and to the Deputy Under Secretary of State (Rusk).
CONSULATES IN OCCUPIED AREAS

123 Ward, Angus I.: Circular telegram

The Secretary of State to Certain Diplomatic Representatives 63

WASHINGTON, November 18, 1949—10 a.m.

Pls pass urgently fol personal msg to the FonMin from SecState Acheson:

"I wld like to emphasize the importance of concerted action by those countries which respect internatl law to protest the treatment being accorded U.S. consular personnel in Mukden, China. Since late Nov 1948 the entire U.S. consular staff and their families have been detained under house arrest inside the consular compounds. All communications between the staff and the U.S. Govt have been strictly controlled by the local auths, and there was one period of almost 7 months when no communication of any kind was possible. At the present time communication is permitted only at the will of the local auths, and it is not possible for the consular staff to report their situation in an effective manner.

Because of this kind of treatment it was impossible for the Consulate to perform any of its functions, and on May 19, 1949 62 the U.S. ConGen at Peiping under instrs from the U.S. Govt notified the appropriate auths there that the Consulate was being closed and asked that arrangements be made for the safe exit of the consular personnel and their families. On June 21, 1949 62 the Commie auths at Mukden notified the ConGen that he and his staff wld be permitted to depart and that transportation facilities wld be made available.

These assurances have not been honored. On Oct 25 63 the Chi Commie press and radio announced that ConGen Angus Ward and four members of his staff had been arrested on Oct 24, 1949. So far as is known, they have been in prison since that time. The local auths at Mukden have not permitted the consular staff to make a report concerning the facts in the case. So far as this Govt has been able to determine, the consular staff has not been permitted to get in touch with Mr. Ward or the four members of his staff and has not been informed of the date of any hearings which may be held or permitted to make arrangements to protect Mr. Ward's interest at such hearings. This Govt has not been informed in any way, except by press and radio reports, of the reasons for the arrest of Mr. Ward and the four members of his staff. The efforts of the U.S. ConGen at Peiping to determine the facts in the case and secure the release of Mr. Ward and the others have been completely ignored.

The internatl practice of civilized countries for many years has recognized that consuls shld be accorded all the privileges necessary for the proper conduct of their duties. Although consuls do not have dipl immunity, it has been the universal practice, because of the public

63 The representatives at Ankara, Athens, Bangkok, Bern, Brussels, Cairo, Caracas, Copenhagen, Habana, The Hague, Lima, Lisbon, London, Manila, Mexico City, New Delhi, Oslo, Ottawa, Panama City, Paris, Rangoon, Rome, Stockholm, and Vienna. A similar circular telegram dated November 19, 1 a.m., was sent to representatives at Bucharest, Moscow, Praha, Sofia, and Warsaw.
62 See telegram No. 876, May 21, 10 a.m., from the Consul General at Peiping, p. 957.
63 See telegram No. 1393, June 23, from the Ambassador in China, p. 971.
62 See telegram No. 1827, October 26, from the Consul General at Peiping, p. 984.
and official character of their duties, to permit them and their staff freedom of movement, and in the event that any criminal charge is made, to permit them to remain at liberty on proper arrangements for bail, with unlimited freedom to communicate with their gvt with respect to official business.

The treatment accorded to Mr. Ward and to the Amer consular staff in Mukden is in direct violation of the basic concepts of internat'l relations which have been developed throughout the centuries. As such, it is of direct and immed concern to all countries interested in dipl intercourse, particularly to those with missions or consulates in China. I ask you, as a matter of urgency, to express to the highest Chi auths in Peking through such channels as may be available to you the concern which your Govt undoubtedly feels over the treatment of the Amer consular staff in Mukden who have been arbitrarily deprived of their freedom for one year.

I am sending a similar communication to the FonMins of other countries which have reps in China."

Account fluid situation and recent departure many Fon officials from China, in case you uncertain first discreetly ascertain whether country to which you accredited actually has dipl or cons reps in Commie China. If negative, of course take no action.

In transmitting this request to FonMin you shld suggest that if his Govt does not have representation Peking he shld transmit his message to his Govt's dipl or cons rep Nanking or Shanghai, sending such msgs by commercial facilities in plain language text.

For ur info and guidance and for use in discussion with FonMin, if this approach does not produce results within reasonable period of time Dept will expect ask FonMin make public his Govt's approach in this matter.

You shld keep Dept informed of action taken by Govt to which you are accredited and transmit to Dept substance or full text of note or msg sent by FonMin to his rep in China.63

Dept does not consider approach envisaged this tel can give rise to implication of recognition.

Acheson

63 Of the 18 countries having representation in Communist-occupied China, 15 protested or agreed to protest (Australia, Austria, Belgium, Canada, Denmark, Egypt, France, Greece, India, Italy, Netherlands, Norway, Philippines, Sweden, and Switzerland); 2 were sympathetic but made no protest (Portugal and the United Kingdom); 1 made no protest (USSR). Twelve countries without representation in Communist China did not take action on the Department's circular telegram (Bulgaria, Burma, Cuba, Czechoslovakia, Mexico, Panama, Peru, Poland, Roumania, Thailand, Turkey, and Venezuela).
Memorandum by the Chairman of the Joint Chiefs of Staff (Bradley) to the Secretary of Defense (Johnson)

WASHINGTON, 18 November 1949.

The following are the views of the Joint Chiefs of Staff in response to your oral question as to what might be done by the Department of Defense to assist the Department of State to extricate Mr. Angus Ward from his predicament in Mukden:

a. The Department of Defense can, at little risk and cost, assist the Department of State to extricate Mr. Angus Ward from Mukden by providing transportation by sea or air for a duly accredited Department of State representative to any point for which diplomatic clearance for the visit has been obtained;

b. Other military alternatives involve either threats by the United States Government, coupled with a present apparent intent to carry out the threatened action, or direct military action as may be necessary in the circumstance. In either of these two courses of action there are military implications of such deep significance that they should be examined in detail;

c. Mukden, the locale of Mr. Ward's confinement, is the seat of government for Manchuria, this government being subordinate to the Chinese Communist Government at Peking. According to intelligence sources, Mukden is also the headquarters of a Chinese Communist army;

d. In accordance with the rights granted under the Sino-Soviet Treaty of 1945, the USSR has established operating facilities for submarines and for surface vessels at Dairen and Port Arthur. Considerable quantities of Manchurian goods are exported from Dairen by sea; lesser quantities of goods are exported from Manchurian ports in the Gulf of Chihli and in Korea Bay. There is no overt United States trade with Manchuria;

e. It is recognized that political considerations could affect the military considerations involved. Such political considerations would include the nature of the warning and the color of authority (United Nations or the duly recognized Chinese Nationalist Government) under which military action might be initiated. Regardless of the political considerations, however, there are, broadly speaking, only two possible courses of military action; namely:

(1) Forcible measures to remove Mr. Angus Ward from Mukden; and

(2) Military redress;

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Copy transmitted to the Under Secretary of State by the Secretary of Defense in his letter of November 21.

f. The physical removal of Mr. Ward from Mukden would require the employment of military forces in sufficient strength to force a landing, either by sea or by air, to effect rescue, and to fight their way out of Manchuria or, alternatively, it would require covert operations for the removal of Mr. Ward from Manchuria after forcibly extricating him from custody. The strength of the military forces required to force a landing and overtly to remove Mr. Ward from custody must be adequate, from the inception of the operation, to insure its success under all contingencies, and such strength is probably greater than that presently available. The undertaking of such military action would involve a conflict with the civil forces in that area, and probably the military forces as well. Thus such action might well lead to open war with the Chinese Communist Government. Furthermore, failure of the USSR to become involved, particularly in view of Soviet strategic interests in Manchuria and the presence of USSR units in the Dairen–Port Arthur area, can be regarded only as a remote possibility. In view of the foregoing considerations, there is a likelihood that overt United States military action might lead to global war. It is understood that covert measures to remove Mr. Ward from Manchuria would probably require action beyond the capabilities of the covert strength available to the United States Government. In the case of either overt or covert action for the removal of Mr. Ward, there would be grave doubts as to whether he would be allowed to survive. Moreover covert action, even if successful, would not sustain the attitude of the United States with respect to the treatment of its consular representatives and other nationals, and might be construed as a tacit admission of Mr. Ward’s guilt;

g. The second course of action; namely, redress, would involve the application of retortion, reprisal, or some form of sanction such as embargo or blockade;

h. Since there are no diplomatic representatives of the Chinese Communist Government in United States territory, simple retortion is not possible. Retortion, however, could be accomplished through the kidnapping by covert forces of one or more highly placed officials of the Manchurian Government. Even if such an operation were within the capabilities of United States covert forces, this action would establish a highly undesirable precedent in United States international relations and, by the very nature of its covert form, would fail to provide a clear-cut basis for the extrication of Mr. Ward without at least tacit overt approval by the United States of an unfriendly act carried out by covert forces. Furthermore, retortion of this nature might not alter the decision of the Manchurian Government to hold Mr. Ward rather than to negotiate an exchange. In addition, our
covert action or our subsequent retortion might jeopardize the safety of other United States nationals in Communist China;

i. Reprisal would call for seizure or destruction of Manchurian property or that of its citizens. Since there is no Manchurian property in the United States or its possessions, acts of reprisal would have to involve military operations directly against Manchuria and this again would probably lead to war;

j. A United States embargo would be futile in the absence of Manchurian trade with this nation or with nations subject to our influence; and

k. Pacific Blockade. A pacific blockade is a blockade established by one or more states against the ports of another to enforce certain demands, without the intention of going to war. As a rule only vessels of states whose ports are blocked are seized. The United States has never been a party to a pacific blockade. It is generally conceded—

(1) That a pacific blockade is a legitimate means of constraint short of war.
(2) Those parties to the blockade are bound by its consequences. 
(3) As a matter of policy it might be advisable to resort to pacific blockade in order to avoid declaration of war.
(4) That states not parties to a pacific blockade are in no way bound to observe it.

Currently British interests control the greater percentage of ships entering China ports. They would not be affected by a United States declaration of a pacific blockade.

l. Blockade. A blockade is normally employed only in time of war and its institution is commonly considered a belligerent act. It affects shipping regardless of nationality. Such blockade to be recognized would have to be effective. It would involve either coercion of or prior agreement with the British and might eventually necessitate the commitment of strength adequate to deal with the Soviet naval and air forces in the Far East.

In view of all the foregoing considerations, the Joint Chiefs of Staff are of the opinion that direct military action to assist the Department of State in extricating Mr. Angus Ward from his predicament might lead to war and would not of itself insure his timely and safe extrication. They do, however, point out that the Department of Defense can assist by supplying appropriate transportation for the accredited representatives of the Government to negotiate for Mr. Ward's release. Consideration might also be given to designating a military officer, such as the Commander of the Seventh Task Fleet, to negotiate locally for the release of Mr. Ward.

For the Joint Chiefs of Staff:  
Omar N. Bradley
Peiping, November 19, 1949—1 p.m.
[Received November 21—3:26 p.m.]

2044. Opinions along general lines indicated Depciertel November 9, 2 a.m. were early expressed by staff members in private conversations with Chinese. Chinese contacts themselves profess be unable understand reasons for Communist treatment Mukden Consulate personnel. Would, however, invite attention probable truth of matter lately: (1) matter is being handled by Communists in present way for political reasons and, (2) Chinese Communists may not be concerned either alone or primarily, Soviets may be determining factor and Soviet may regard Ward as counter for Gubitchev.\(^6\) In any event, it has to be realized that Communists whether Chinese or other nationality are unresponsive to either reasoning or threats unless they see in compliance economic or political gain or in noncompliance some possible real injury Chinese Communists' design reduce our political power and prestige and economic holdings China, and incidentally to pressure with what they find on ground to get recognition. Appeals to law, logic or humanitarianism will be generally ineffective. Communists will be halted in any given line action against our interests or people only by superior counter force.

Believe turn case has taken on American side unexpected by Communists who may now realize results will be unfavorable to them in long term. There appears to have been some relaxation controls on communications for Mukden personnel since note to Chou. Per reasoning Contel 1859, October 30, long delay in bringing Ward to trial would seem unfavorable but Communists may now find it difficult dismount from tiger. If there are to be any favorable results of American official statements and Chantung's USUN [Chang Tung-sun's] \textit{démarches}, they should shortly become apparent. Reference matter in UNGA at this time when American recognition regime ungranted achieve no more results than efforts re north Korea, but publicity tending to prejudice Chinese Communists' chances of getting UN membership or at any rate seat on Security Council would probably cause Communist alarm. Communist interest in participating Japanese peace treaty and perhaps getting Japanese reparations should be noted. Peiping uninformed re secret success Meryn case\(^6\) but suggest precedent might be helpful.

\(^6\) For documentation on the rejection of the claim to diplomatic immunity for Valentin Alexeyevich Gubitchev, arrested and tried for espionage, 1949–50, see vol. v, pp. 776 ff.
\(^6\) Samuel Meryn, an employee of the American Embassy in Czechoslovakia, was arrested in October on charges of espionage activities; for statement by the Secretary of State, see Department of State Bulletin, November 7, 1949, p. 710.
Failing release it would seem Ward and others are being held simply as hostages force some desired action. In such case, further public statements or appeals to reason would appear hopeless. Unrecognized consuls on ground can exercise little or no real leverage in own right now denied. Whether Ward, et al., now being used as pawns in game to force recognition of course unknown and can hardly be known without at least contact with high Communist official. Embassy probably now shall [not?] get chance discuss matter with Chou En-lai except incidentally in connection with talk on some subject Communists more desirous of considering. But submit that there exists possibility that without recognition Communists will bow in present case only to force which can make itself felt.

Form sanctions might take of course subject best explored by Department but note that as first step economic pressure proposed Contel 1909, November 4, would seem only weapon which could be used without fanfare and further aggravation political situation but success unassured.

In summation regret state that if present moves fail this office sees no other line of law or logic that would promise results and would consider it clear that more than new representations required to achieve desired results.

CLUBB

711.93112/11-2149

Memorandum by the Secretary of State to the President

WASHINGTON, November 21, 1949.

With reference to the suggestion that the blockade of Communist coal shipments be utilized in the Angus Ward case, there is no evidence that Shanghai is receiving any significant shipments of coal by coastal vessel from Tientsin or Chinwangtsoo. Shanghai draws its coal supplies from the Hwainan mines in Anhwei Province and from the Kailan mines in Hopei Province. These coal supplies have for some time been moving to Shanghai primarily over inland transport routes, principally rail, a consequence in part of the National Government’s port closure. It is reported that the coal thus available to Shanghai is adequate to meet the present minimum requirements of the city for generation of electric power.

The National Government “blockade” of central and south China coastal ports has reduced coast-wise shipping to a low level, most of which is carried on by traditional junk traffic with which it would be extremely difficult, if not impossible, to interfere. A relatively small but active foreign trade is carried on out of Tientsin, the only major coastal port in China proper that is not within the effective scope of

See memorandum by the Under Secretary of State, November 14, p. 1008.
the National Government’s port closure. A large proportion of this trade is between Hong Kong and Tientsin and is heavily dependent upon foreign-flag vessels, many of which are British. The number of Chinese-owned coastal and ocean-going vessels available to the Chinese Communists is believed to be small by virtue of their earlier transfer by the Nationalists to Hong Kong and Taiwan.

Despite the low level of China’s coast-wise and foreign trade, a “blockade” of all shipping out of China ports, if it could be undertaken effectively, would of course hurt the Chinese economy. Nevertheless, in view of the basic self-sufficiency of the Chinese economy at present low standards of living, such action could not create an economic crisis in the Chinese Communist regime. On the contrary, it might well prove useful to the Communists as a propaganda weapon, both at home and abroad, in support of their argument concerning the imperialistic intentions of the United States.

Preliminary examination of our legal position in a blockade of Communist-held ports indicates that a state of belligerency would be necessary for such blockade to be legal. There is some precedent for establishment of a “pacific blockade”, i.e., blockade as an act of reprisal without a state of belligerency, but it is clear that such a blockade could be legally effective only as to Chinese Communist vessels and not against the vessels of third powers trading in ports controlled by Chinese Communists. The United States in the past has never resorted to a “pacific blockade”. There are strong grounds for believing that such a blockade, even where a party to the UN is not involved, might be inconsistent with the principles of Article 33 of the UN Charter under which the parties to a dispute undertake to seek solution of it short of force.

We strongly recommend against the use of force against other foreign vessels.70

DEAN ACHESON

123 Ward, Angus I.: Telegram

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

LONDON, November 21, 1949—5 p.m. [Received November 21—1:51 p.m.]

4636. Personal message from Secretary to Foreign Minister 71 (Deptcicrctel November 18, 10 a. m.) re ConGen Mukden, presented

70 The Secretary of State stated in a memorandum of November 21 to the Assistant Secretary of State (Butterworth): “I left with the President the memorandum recommending against blockade procedure. It was agreed between us that for the time being we should await the developments following from the circular note sent to the countries having diplomatic or consular representation in China.” (123 Ward, Angus)

71 Ernest Bevin, British Secretary of State for Foreign Affairs.
Scarlett \(^2\) head Far East Department, this afternoon. He was orally informed substance antepenultimate paragraph ref tel.

Scarlett stated Foreign Office on 19 had sent instruction British Embassy, Nanking, (a) pointing out seriousness with which British Government regards treatment ConGen Mukden, (b) indicating what is happening to US officials today may happen to UK officials tomorrow and (c) directing appropriate representations on behalf Ward be made to Communist authorities whether at Nanking or at Peiping at discretion British Embassy.

Foreign Office now telegraphing British Embassy withhold action pending receipt detailed instructions based on Secretary’s message.

**DOUGLAS**

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702.4193/11-2249: Telegram

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

PEIPING, November 22, 1949—noon.
[Received November 22—4:48 a.m.]

2058. On basis Deptels 625, September 10 [12] and 662, September 26, \(^2\) informed October 4 British Consul, Peiping, that Department had instructed that British FonOff had agreed accept custody American Government property Mukden, sent him copy my letter even date to Ward regarding matter, asked that he arrange British Consular Office, Mukden, be appropriately instructed.

British ConGen has now asked whether agreement was definitive in as much as his Embassy, Nanking, apparently unaware arrangement and tells him his action vis-à-vis Mukden premature. Informed him my information was definite. Department might wish get clarification British side.

Department pass to Nanking 1170.

**CLUBB**

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123 Ward, Angus I.: Telegram

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

PEIPING, November 23, 1949.
[Received November 23—12:46 a.m.]

2064. Talked to Mukden 0945 today.\(^4\) Ward and four others who had been arrested have returned to consular compounds. Failed confirm categorically but infer returned yesterday (this inference

\(^2\) Peter W. S. Scarlett.
\(^3\) Latter not printed.
\(^4\) See also telegram No. 2074, November 23, 6 p.m., p. 1020.
supported by fact they were not back when I talked to Stokes November 21). Talked to Ward personally who reported as follows:

Court trial concluded. All five found guilty; sentence as follows: Ward 6 months' imprisonment, 1 year parole, sentence commuted to deportation, Rheberg and Kristan 4 months' imprisonment, 1 year parole, commutation to deportation, Tatsumi and Cicogna 3 months' imprisonment, 1 year parole, commutation to deportation. Ward stated that in addition he was charged with certain financial obligations too lengthy to be reported at time. Obligations, however, include compensation to injured, severance pay and salary payments outside provisions existing FSR. Ward noted employees had refused perform duties since October 11.

Ward reported he had delivered telegram to telegraph office 1600 hours yesterday, telegram refused but same telegram accepted for transmittal this morning. Still unreceived here. Above named five are "up and about." Kristan's physical condition yesterday not good, shows improvement today. Tatsumi suffered from mental strain.

Ward opined it would be necessary for him clear up financial matters before departure. Desires appropriate instructions earliest.

Indications are Mukden in nonreceipt several Peiping telegrams, will check and endeavor supply anything missing. Will also send Ward copy Peiping USIS mediation agreement. Will of course transmit Department promptly all information from Ward re "financial obligations" as received.

Sent Department 206, Shanghai 1210, Nanking 1172, Taipei 40; Hong Kong to Tientsin by mail.

CLUBB

123 [Ward, Angus L.]: Circular telegram

The Acting Secretary of State to Certain Diplomatic Representatives

WASHINGTON, November 23, 1949—9 a.m.

Re concerned Depcirtel re Ward case and Depcirtel Nov 23 stating Ward and other staff members released. In event you are approached by FonMin pointing out that release Ward and staff members from prison wld appear make representations by his Govt to Chi Commie auths unnecessary, you shld reply along fol lines:

75 The representatives in Ankara, Athens, Bern, Brussels, Bucharest, Cairo, Canberra, Caracas, Copenhagen, Habana, The Hague, Lima, Lisbon, London, Manila, Mexico City, Moscow, New Delhi, Oslo, Ottawa, Panama City, Paris, Rangoon, Rome, Sofia, Stockholm, Vienna, and Warsaw; also to Peiping for information only.

76 November 18, 10 a.m., p. 1009.

77 Not printed, but see telegram No. 2064, November 23, supra.
Although Ward and accused staff members now released on parole and subj deportation, no assurances so far recd from Commie auths that transportation facilities and necessary exit permits forthcoming to enable Ward and staff ConGen (including dependents and those not arrested) depart China for US as directed by US Govt on May 19, 1949 and as promised by Commie auths on June 21. Moreover their release from prison this late date in no way affects facts in case re arrest Ward and four staff members or their detention incommunicado for nearly 1 month despite rptd attempts this Govt get in touch with them or ascertain reason for such intolerable treatment. You may also inform FonMin if question raised that during “trial” of Ward and staff members they were refused access to legal counsel, right to produce witnesses for defense, right to question witnesses or plaintiffs, and right to submit rebutting arguments. Dept of opinion, therefore, that release of Ward and staff members on parole in no way obviates desirability concerned nations making appropriate representatives to highest Chi Commie auths expressing their concern over this flagrant violation of accepted standards Internatl conduct.

Pls report any approaches by FonMin this subj and their reaction to above line reasoning.

Webb

702.4103/11-2249: Telegram

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

WASHINGTON, November 23, 1949—4 p.m.


Since Ward unable communicate with Brit re takeover and no means existed for transmitting classified info Mukden suggested approach (Deptel 662\textsuperscript{78}) appeared most feasible one that time. Dept assumed FonOff wld in due course issue instrs approp Brit reps China re Mukden.

For ur info FonOff informed AmEmb London Oct 27 that Brit office Mukden now in chg Pro-Consul. Not sure whether Brit Emb Nanking able transmit necessary instrs to him but has asked for report.

Sent Peiping rptd Nanking.

Webb

\textsuperscript{78} Not printed.
123 Ward, Angus I.: Telegram

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

PEIPING, November 23, 1949—6 p. m.
[Received November 23—7:11 a. m.]

2074. Ward stated further accused were refused legal counsel, refused right produce witnesses for defense, refused right question witnesses or plaintiffs or other rebutting arguments. Re Contel 2064, November 23.

Recommend no interpretive comment on trial and judgement at least until receipt fuller information. Note personnel still without travel permits or schedule.

Clubb

123 Ward, Angus I.: Airgram

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

LONDON, November 23, 1949.
[Received November 25—11:12 a. m.]

A–2186. Following is the substantive portion of a letter of November 22, 1949 from the Foreign Office describing the efforts of the British Pro-Consul in Mukden to assist Consul General Ward and in general protect American interests in Manchuria:

"The present position is as follows. On the 4th October the United States Consul General at Peking, apparently on instructions from the State Department, formally notified Graham, our Consul-General in Peking, that we had agreed to accept custody of United States Government property at Mukden. Our Consulate-General at Mukden has for some time been in charge of a Pro-Consul, and Graham at once wrote to inform him and to say that pending receipt of formal instructions the Pro-Consul would presumably do anything he properly could to assist Ward. On the 19th October the Pro-Consul informed the Chairman of the North-East People's Government accordingly and asked for early permission to interview Ward in order to discuss details of property to be placed in the Pro-Consul's custody. On the 25th or 26th October, immediately after the announcement in the local press that Ward would be tried in the People's Court, the Pro-Consul again wrote to the Chairman renewing his request for an interview and asking permission to assist Ward and his staff and to be present at any hearing of the case. The Pro-Consul has received no reply to either letter, and does not expect to receive one.

Formal instructions are now being issued to the Pro-Consul to do what he can, but I am sure you will realise that it is very doubtful whether he will be able to do anything effective either to help Ward or to look after United States Government property in Mukden. We understand that there are now no United States citizens in Manchuria other than Ward and his staff."

Douglas
CONSULATES IN OCCUPIED AREAS

123 Ward, Angus I.: Telegram

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

Peiping, November 24, 1949.
[Received November 24—4:46 a.m.]

2075. ReContel 2064, November 23. Ward, by phone today, confirmed return himself and others to consular compound about 2100 hours, November 21. Reported Kristan, who had stood in danger of gangrene, had slight relapse but again better; Tatsumi improving. Poor phone contact but began preliminary work clarification of missing messages.

Sent Department 2075; repeated Shanghai 1213, Nanking 1174, Tientsin by mail.

CLUBB

123 Stokes, William N.: Telegram

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

Peiping, November 26, 1949—11 a.m.
[Received November 25—11:33 p.m.]

2096. Ward informed me this morning Stokes had been taken court 9 a.m. without warrant for hearing re “spying charges” which Ward connected with June 21 report 79 but whether as accused or witness or in other capacity unindicated to Americans. Ward was refused permission accompany.

Will phone Mukden each schedule until Stokes returns.

Sent Department 2096; Department pass Shanghai 1219, Nanking 1178, Tientsin 102.

CLUBB

123 Stokes, William N.: Circular telegram

The Acting Secretary of State to Certain Diplomatic Representatives 80

WASHINGTON, November 26, 1949—1 a.m.

ReDepeirtels Nov 18, 10 A.M., and Nov. 23, 9 A.M., on Ward case, pls inform FonOff fol:

ConGen Ward reported to US ConGen at Peiping that at 9 A.M., Nov 26, Vice Consul William N. Stokes (who was in charge ConGen during imprisonment Ward) had been taken to court by Commie auths without warrant for hearing re “spying charges”. It was not indicated to Ward whether Stokes taken as accused or witness or in

79 For information on Communist “spy ring” charges, see telegram No. 1039, June 19, from the Consul General at Peiping, p. 965.
80 Sent to the diplomatic representatives listed in footnote 75, p. 1018.
other capacity. Ward was refused permission accompany Stokes. At time latest communication from Ward at 3:45 same day no further word had been received from Stokes.

In conveying above info to FonOff state Dept considers this new violation principles of accepted internatl conduct sufficiently serious to justify inclusion in protest to Commie auths or, if protest already made, subj further representations by Govt to which you accredited.

WEBB

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123 [Stokes, William N.]: Telegram

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

WASHINGTON, November 26, 1949—3 p.m.

836. Urtels 2096 and 2103 Nov. 26. You shld immed ask for appointment with Chou En-lai or other high official dealing with fon affairs to make oral representations on basis info recd from Ward. At same time and without waiting for appointment you shld address letter Chou En-lai stating that you are instructed by ur Govt protest in strong terms this further action by local auths Mukden against US ConGen staff Mukden, request authoritative info for transmission US Govt and say that US Govt requests and expects highest Commie auths accordance internatl law and practice take prompt steps to cause Mukden auths release Stokes and furnish transport facilities for withdrawal from Mukden of all personnel US ConGen, with their personal and official effects, and afford them full freedom of movement in carrying out their official instrs this regard.

Inform Dept text ltr sent to Commie auths.

WEBB

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123 Stokes, William N.: Telegram

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

PEIPING, November 26, 1949—4 p.m.

[Received November 26—6:24 a.m.]

2103. Severally at 1430 and 1545 Ward reported still no word from Stokes, reContel 2096, November 26, no further developments during day. Said it is “theatrical season” Mukden, opined Commies might now try find “reason” expel others.

Suggest logical possibility, however, that Commies may be only checking Stokes re his phone statement that Ward case could only

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61 Latter printed infra.
be understood by reference June 21 news. This especially since Stokes' position so clearly above suspicion.

Next possible phone talk tomorrow 0800 hours.
Ward's message re trial missing.

123 Stokes, William N.: Telegram
The Consul General at Peiping (Clubb) to the Secretary of State

PEIPING, November 27, 1949—11 a. m.
[Received November 26—11:26 p. m.]

2104. Ward reported today, re Contel 2096, November 26, Stokes returned to quarters 1500 yesterday after having attended, as observer, trial “American spy ring” of last June. Some thousand persons present. None of Consulate General staff named but either Ward or I referred to by title. No evidence cited of later date than October 28 last year. Persons named all unknown Ward except Berendson and Welch. In particular, never heard of Hunt.

Without having been named, however, all non-Chinese staff Consulate General were sentenced deportation.

Assume story will break tomorrow.

Sent Department, Nanking 1181, Shanghai 1225, Tientsin 103, Am PolAd $^{62}$ Tokyo, (Department pass all addressees).

123 Stokes, William N.: Telegram
The Consul General at Peiping (Clubb) to the Secretary of State

PEIPING, November 27, 1949—3 p. m.
[Received November 27—5:57 a. m.]

2106. In better connection 1430 Ward reported yesterday’s trial, which must have been final hearing because sentences were passed although trial unheard-of before, was of 10 persons of whom 9 in court, 1 dead. Accused were Chinese and Japanese or Koreans, all unknown Americans but presumed persons connected with June charges. Sentences presumed passed on them unknown by Stokes whose translator only gave him part affecting consular personnel.

No date given Stokes for deportation action, either re Ward et al. or re personnel affected new action.

Ward remarked trial ending 21st “brings into critical focus” events past year and yesterday’s trial makes all clear.

Court judgment Ward trial published locally today, in process translation, will be forwarded soonest.

$^{62}$ American Acting Political Adviser (Sebald).
Re Deptl 836, November 26, in view information obtained today am holding up action. Recommend also waiting on receipt fuller reports yesterday’s trial before either embarking on new move or giving further interpretive comment to press. Present significance of move appears to be, as indicated by Ward, Communists’ search for “reason” to justify “expulsion” consular personnel.

Sent Department, Nanking 1183, Shanghai 1227, AmPolAd Tokyo (Department pass all addressees).

CLUBB

123 Ward, Angus I.: Telegram

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

PEIPING, November 28, 1949—2 p. m.
[Received November 29—12:39 a. m.]

2111. Saw Chang Tung-sun November 23 at which time he said he had sent projected letter Chou En-lai “several days ago” (mytel 2053, November 22\(^{11}\)). Chang said he did not give message as coming either from himself or Ambassador but instead purported it represented my attitude.

Chang did not give me text his letter.

Informed Chang of current Mukden denouncement and expressed appreciation rendered by him re matter.

CLUBB

123 Ward, Angus I.: Telegram

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

PEIPING, November 28, 1949.
[Received November 28—9:29 a. m.]

2113. Kwang Ming Jih Pao November 27 carried news item from New China News Agency, Mukden despatch November 26, entitled “American Nationals in Shenyang Given Sentences for Beating Chinese Workman”. Substantial translation follows:

Verdict in trial of lawsuit involving imperialist elements headed by American national Ward who collectively beat Chi Yu-heng, Chinese laborer, and unreasonably made deductions from his wages, a case which has aroused common indignation of people of Shenyang municipality and all northeast provinces, was announced by People’s Court in Shenyang municipality on November 21. Principal criminal Ward was given sentence of 6 months and his accomplices R. C. Rehberg (American) and A. Kristan (German) each a sentence of 4 months, while F. Cicogna (Italian) and S. Tatsumi (Jap-American)

\(^{11}\) Not printed.
each a sentence of 3 months. Sentences of 5 criminals are to be suspended for period of 1 year. Five criminals are to be deported from territory. Ward was ordered to pay Chi Yu-heng US $105 as three and half months' terminal leave pay, US $60 as 2 months severance pay, and US $9 as wages for 9 days. Retirement deductions are to be refunded in their entirety. Above sums of money are to be paid in local currency calculated at market rate. In addition, $1,365,000 local currency for medical expenses and $2,500,000 local currency as compensation for losses of earnings must be paid Chi Yu-heng.

It may be recalled that murderous criminal Ward and company unreasonably and forcibly dismissed Chinese workman Chi Yu-heng on September 29 and collectively assaulted him twice on October 11 when he came to them demanding payment of various wages and allowances due him, and attacked Chi Yu-feng, his brother, who attempted to intervene in dispute. Shenyang Muni Bureau of Public Security, acting on appeal of 35 Chinese employees and workers at No. 38 San Ching Lu, summoned murderous criminal Ward and company for interrogation and detained them. After undergoing series of interrogations, case was given to Shenyang municipal People's Court for trial.

Criminals were interrogated by court total of five times. Victims Chi Yu-heng and Chi Yu-feng also were summoned for questioning. Witnesses Tsou Yuan-chi, Yu Yung-pin, Chi Ti-chih, Keng Chen-tung, Wu Han-chang, Li Chun-fang and Chang Chung-ying were interrogated several times and on two occasions they were summoned to court to confront criminals. Besides utilizing two photographs taken at spot where Ward and his accomplices committed their atrocity, which showed the wounded Chi Yu-heng sprawling on ground and wound on his right temple, medical report concerning wound by court doctor and medical reports by doctors of the municipal hospital as evidence, the chief judge of court also personally visited the locality in question at time of trial in order to make an investigation. Basing its action on bill of indictment of municipal Bureau of Public Security and evidence obtained by court from interrogation and investigations, which were studied carefully, court opened trial at noon, November 21. The verdict was announced at 6 p.m. and trial ended at 7:00 on same day. At conclusion of the trial, Ward and company immediately returned to No. 38 San Ching Lu.

At both final open trial in court and at time of announcement of verdict, over 30 delegates representing Chinese employees and workers at 38 San Ching Lu, Northeast General Trade Union, Shenyang municipal Trade Union and other organizations, as well as William Stokes, American national of No. 38 San Ching Lu, were present as auditors.

Court was opened by Procurator General of Bureau of Public Security [garbled group] Shenyang Municipal People's Government's reading bill of indictment. Then Chang Yun-lung, President [garbled group] currently Chief Judge of the municipal People's Court, and Judges Chang Shih-hsia and Cheng Yuan-yu, proceeded with trial. Victim Chi Yu-heng and witness Yu Yung-pin appeared before court to correct versions of the incident as presented by criminal Ward and accomplices. Evidence in form of individuals and documents were present and case was concluded. The criminals signed their names to their confessions and admitted they had not been maltreated
during their detention and that attitude of authorities toward them had been good.

After chief judge had solemnly announced the verdict, criminal Ward and company were silent. With exception of American national Stokes, those who attended the trial as auditors showed joy in their faces and evidently felt very happy. This proves once again that Chinese people are not to be insulted and that laws and codes of Chinese People’s Government are dignified. Those who dare to encroach on our people’s rights and violate laws and codes of our People’s Government shall be given legal punishment that is due them. End translation.

Tientsin and Mukden by mail.
Sent Department 2113, repeated Nanking 1186, Shanghai 1231.

CLUBB

125 Ward, Angus L.: Telegram

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

PEIPING, November 28, 1949.
[Received November 28—2:29 p. m.]

2114. Following is Ward’s 136, November 23, as received by phone (therefore probably subject minor corrections) today:

“People’s Court Mukden convened new session (?) yesterday for trial Rehberg, Tatsumi, Cicogna, Kristan and Ward. Stokes permitted attend trial as observer, but was refused permission to speak to or in behalf of accused or to make written notes of proceedings. Neither we nor Stokes had any advance notice of date or hour of trial. We were served no copy of writ indictment either before or at trial; writ was read to us in Chinese, which none of us understood, and English translation so unintelligible as to be understood in part only.

Following my request for rereading of English translation, presiding judge assured me English translation would be reread prior to end of trial, but such rereading did not materialize in view of which we have only sketchy knowledge of charges under which indicted. Have today addressed written request to court for copy of writ. Court refused my three requests October 24, November 1 and 2 for permission retain legal counsel, and also refused my request of November 1 and 2 for permission seek and subpoena witnesses for defense, and likewise refused my request November for recognition of Stokes and Hubbard as my [garbled group] court for purpose liaison with court, for seeking and engaging legal counsel and seeking and interviewing witnesses for defense.

Although I was informed by court I could conduct my own defense, [none] of accused was permitted examine any prosecution witness or to produce testimony refuting statements made by such witnesses. Prosecution was permitted present summation but accused not permitted. After adjournment 16 o’clock court reconvened 1800 o’clock
and read findings and pronounced judgment. Oral translation and
findings and sentence were not clear or fully understood by Stokes
or any of us, in view which I requested written copy of findings and
sentences of court.

According our best understanding: Ward sentenced 6 months’ im-
prisonment and probation 1 year with sentence commuted to depara-
tion, and to pay to former messenger Chi 9 days’ salary for period
September 19–28, leave pay, severance pay, refund of retirement
deductions collected this office since entry duty March 27, 1946, sum
1.3 million northeast wan [yuan?] equivalent today approximately
US $7.00 for hospitalization expenses and 2.5 million NE yuan
equivalent approximately US $14.00 for loss of time during hospital-
ization and convalescence. Rehberg and Kristan sentenced 4 months’
imprisonment, probation 1 year, sentences commuted to deportation.
Tatsumi and Cicogna sentenced 3 months’ imprisonment, probation
1 year commuted to deportation. We were returned to our rooms
about 19 o’clock and at 1930 were instructed prepare return our
respective residences. All arrived home approximately 21 hours.

Were today permitted proceed under guard from residences to
office [garbled group] all were kept in solitary confinement from
arrest October 24 to release last evening. Quarters unheated for
first fortnight and thereafter practically but for most part under-
heated until afternoon November 17 after which time quarters ade-
quately heated. Prison diet 6 slices bread from 4 by 5 inch loaf
daily and hot drinking water 3 ounces daily. All lost weight during
4 weeks’ confinement ranging from Tatsumi 10 lb., to Ward 25 lbs.
Rehberg and Kristan in better physical condition than others, but
Kristan has acute pains in feet induced by cold. Cicogna in poor
physical condition because of cold and diet but better than when I
previously saw him November 4 at which time he was barely able to
stand. Tatsumi suffering from shock and mental strain and incapable
rational thought or reasonable speech, but has already given evidence
progressive improvement since release. I experienced acute heart
pains during period intense cold and still have sharp pains in right
arm, both legs and feet and back induced by cold and prolonged ex-
posure and to stupefying cold, but believe have sustained no disability
that warmth and normal living conditions will not overcome. Con-
template paying off entire Chinese staff upon receipt requested allot-
ment and Dept authorization refund retirement deductions after
which shall again request land transportation to Tientsin–Peiping
of mayor of Mukden for American staff and dependents, Cicogna
and wife, Kristan and chauffeurs Deidra and Muhamedzan, in hope
that mayor will honor understanding made by him on June 21 to fur-
nish us transportation upon my request. Detailed report our arrest,
imprisonment, treatment, examination and trial will be submitted
when communications facilities permit. Staff and I very appreci-
active of efforts Dept and others in our behalf. Please pass Dept as
136, November 23."

Mukden today reported further Tatsumi, Rehberg, Kristan,
Cicogna and Ward today received documents from court alleged to
be copies findings of sentences of trial end September [November?]
21 but concerned American unable to read those documents.
Deptel 831, November 25, received Peiping November 26, was transmitted same date. Propose phone contents Mukden tomorrow if telegram still unreceived. Mukden telegram 136, November 23, still unrecieved through telegraph office.

Sent Department 2114, Shanghai 1232, Nanking 1187.

CLUBB

125.633/11-2849: Telegram

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

WASHINGTON, November 28, 1949—7 p.m.

842. Re urtel 2104 Nov 27. In view strong possibility that occasion of departure Mukden ConGen staff will be exploited to full by Commies for propaganda purposes, staging of which may delay departure, you shld at once send letter to Chou En-lai asking that facilities be made available immed for travel in expeditious manner of Cons staff and dependents from Mukden along lines set forth Deptel 836 Nov 26. At same time request as under instr from ur Govt definite info re date and itinerary in China in connection with departure.

FYI as Dept desires learn as far as possible in advance name of port and date arrival party there in order to secure if possible diversion of ship to embark them.

WEBB

123 Ward, Angus L.: Telegram

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

LONDON, November 28, 1949—8 p.m.

[Received November 29—12:57 p.m.]

4745. Substance Deptcirc November 23 and 26 re Ward case given Scarlett, Foreign Office, this afternoon. Scarlett states British Pro-Consul, Mukden, had been about to make representations Communists basis Deptcirc November 18 when on learning of release of Ward had wired for further instructions. Foreign Office will now direct Pro-Consul make comprehensive representations based in general on information contained three Deptcircs mentioned herein. Scarlett agreed press reports release Stokes did not alter seriousness case.

DOUGLAS

*5 Not printed.
*6 For your information.
The Consul General at Peiping (Clubb) to the Secretary of State

PEIPING, December 1, 1949.
[Received December 1—3:04 p. m.]

2143. Ward’s 148, November 29, received today, follows:

"Stokes was summoned to unspecified court this morning 9 o’clock to attend hearings on spy ring charges. Am uninformed whether Stokes was summoned in capacity of observer, witness, or accused. Translator Chow Yuan-szi who has participated in Chinese staff concerted stoppage of work since close business October 11 was summoned with Stokes. In absence information to contrary, I assume spy ring charges under reference are those given publicity through Hsin Hwa News Agency on or about June 18 this year and published in Mukden press on June 20. My oral request attend court hearings with Stokes was refused."

CLUBB

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

PEIPING, December 1, 1949.
[Received December 1—2:10 p. m.]

2152. Mukden office per phone today remarked VOA broadcast today stating American vessel arriving Tientsin December 11 for removal Ward and staff and dependents. Mukden staff welcomed news but Ward recommended that, if Department contemplates he and staff proceed USA by air from Korea or Japan, in view hardship past year and particularly past month all staff members and dependents be given opportunity for physical check-up and urgently needed dental attention before proceeding beyond Korea or Japan. Ward’s request November 22 for access to physician still unfulfilled. Ward still suffering effects treatment, particularly long exposure to cold confinement. Desires make more progress toward recovery and health before resuming active life, therefore suggests he be spared fast trans-Pacific flight at present. Remarks trans-Pacific ocean voyage would probably be beneficial.

Ward informed mayor several days ago he contemplates paying off all Chinese personnel December 3. He today wrote mayor requesting he be informed December 3 of date when he and staff members and dependents under deportation order will be furnished transportation facilities for departure. He requested 3 days’ advance notice of departure to enable himself and staff pay off houses, old servants and handle other personal matters.

Sent Department 2152, Shanghai 1248, Nanking 1198, AmPolAd Tokyo, Tientsin by mail.

CLUBB
123 Ward, Angus L.: Telegram

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

**PEIPING, December 1, 1949.**
[Received December 1—3:33 p. m.]

2154. Ward’s 147, November 25 received today as follows:

"Since entry of Chinese Communist armed forces into Mukden on November 1, a year ago, I have signed all official communications to local civil and military authorities over my title American Consul General. Today, however, two letters thus signed to mayor [of] Mukden and dated November 22 and two to same addresses dated November 23 were returned with oral statement that letters thus signed not acceptable. I have again submitted same letters omitting above-mentioned title."

**CLUBB**

125.633/12-149: Telegram

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

**LONDON, December 1, 1949—6 p. m.**
[Received December 1—4:31 p. m.]

4794. Reference announcement by State Department press officers on November 30 86 to effect that UK was included among those countries which had protested, or would protest to Chinese Communists re Ward case. Foreign Office news department official telephoned Embassy this morning stating Foreign Office had not actually promised to protest and would forward immediately to Embassy a note giving its position. In afternoon, the news department of Foreign Office telephoned again saying that in answer to questions arising out of Department’s press statement, Foreign Office news department was replying that they had instructed British Consul General at Peking to do everything possible to persuade local authorities to accord proper treatment to staff of US Consulate General at Mukden. They were also saying to the press that a note stating the British Government’s position had been sent. Text of this note which has just arrived reads as follows:

"Dear Ringwalt: 87 You were good enough to inform me in your letter of 28 November that the United States Government still feel

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86 Michael J. McDermott, Special Assistant to the Secretary of State for press relations, commented on a note sent by the Secretary recently to 30 countries having diplomatic representation in China (see circular telegram of November 18, 10 a.m., p. 1009), and named the following 12 countries that had protested or would do so: Australia, Austria, Belgium, Egypt, France, India, Italy, the Netherlands, Norway, Sweden, the United Kingdom, and the Republic of the Philippines.

87 Arthur R. Ringwalt, First Secretary of Embassy in the United Kingdom.
that despite the release of Mr. Angus Ward some protest should be addressed to the Communist authorities by the powers represented at Peking at the flagrant violation of the accepted standards of international conduct which the circumstances of his arrest and trial represent. The State Department further cited the subsequent arrest of Mr. Stokes as a fresh instance of the Communists' contempt for the principles of the international conduct, though I gather from the press that Mr. Stokes has subsequently been released.

"Most careful and sympathetic consideration has not [now] been given to this request, but we are very doubtful whether, in present circumstances, representations by us on the lines suggested would achieve any purpose. Respect for the accepted standards of international conduct is a matter to which His Majesty's Government naturally attach considerable importance; but, as the State Department are aware, foreign representatives are left, pending recognition, without any official status, and such contacts as they have with the Chinese authorities are at a low level in the hierarchy and on a personal basis. In these circumstances, little purpose is likely to be served by adopting the procedure which would normally be followed if diplomatic relations existed between the Chinese Communist Government and His Majesty's Government in the United Kingdom.

"It will be clear from the Foreign Secretary's letter to Mr. Douglas of November 25 [5] that His Majesty's Consular Officers in Communist China have done all they could unofficially to help Mr. Ward and his staff and will most surely continue to do so if need arise. We are, nevertheless, instructing H. M. Consul-General in Peking to do anything that may lie within his power to persuade the local authorities to accord proper treatment to the staff of the United States Consulate-General at Mukden. Yours sincerely, P. W. Scarlett."

Douglas

125.683/12-149: Telegram

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

London, December 1, 1949—6 p. m.
[Received December 1—4:31 p. m.]

4795. Reference immediately preceding telegram re Ward case as well as Embassy's 4745, November 28, same subject. Embassy unable to understand Foreign Office attitude as Scarlett unequivocally stated his Government understood US position and would take action along lines indicated.

It would appear that after reflection concerned Foreign Office officials decided not to jeopardize British position in China through taking too strong a stand in this instance.

Embassy would appreciate guidance in replying to any press inquiries re this case.

Douglas

5 Not printed.
The Secretary of State to the Consul General at Peiping (Clubb)

WASHINGTON, December 1, 1949—6 p.m.

853. Dept concerned over physical condition Ward others reported urtels 2114 Nov 28 and 2124 Nov 29 *** and will appreciate ur and Ward's estimate and further recommendations all aspects this situation.

Specifically pls ascertain whether medical facilities in Mukden available to ConGen staff. If not, suggest you immed endeavor enlist aid Brit Pro-Cons Mukden. If it appears medical attn will later be needed at Tientsin, Taku Bar or other point of staff's travel, endeavor make arrangements therefor.

Keep Dept fully informed and take whatever action necessary locally without prior reference Dept.

ACHESON

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

PEIPING, December 1, 1949—6 p.m.
[Received 11:31 p.m.]

2156. Ward's 154, November 29, as received by phone today, follows:

"On October 11, was assaulted and pummelled by Chinese member my staff. Due only to quick action by Rehberg, I was saved from being further assaulted by another Chinese armed with cudgel. Cicogna assaulted by group Chinese members my staff and Kristan was assaulted and befouled and badly beaten by Chinese staff member and other Chinese. Having reported all the foregoing to group Chinese officials principally from Bureau Public Safety and from People's Court of Mukden which came to office during morning October 11 but group dismissed my representations in matter with statement to effect that these events would be treated in accordance with law. Thus far no action known to me has been taken on above recited attempt assault.

On November 22 following my release from confinement, I requested of mayor Mukden access to my physician. Thus far, no action on my request."

Recommend particularly in view Mukden American personnel's exposed position this information not be given publicity until their departure from Communist China.

Sent Department 2156. Department pass Shanghai 1253, Nanking 1202 [1212?], Tientsin 107.

CLUBB

*** Latter not printed.
CONSULATES IN OCCUPIED AREAS

123 Ward, Angus I.: Telegram

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

PEIPING, December 2, 1949.
[Received December 2—4:54 a.m.]

2167. Mukden reported by phone 1545 today they had just been visited by representatives Mukden Municipal Government carrying message to effect that Ward, together with all foreign members consular staff, together with dependents living in Government-owned property Mukden, must depart Mukden within 48 hours after 0800 December 5, deportation via Tientsin. Personal effects to be handled by Bryners. Consulate General has been given permission for one person contact Bryners tomorrow regarding transport.

Sent Department 2163; repeated Shanghai 1234, Nanking 1204, Tokyo, Tientsin by phone and mail.

Clubb

125.635/12-249: Circular telegram

The Secretary of State to Certain Diplomatic Representatives

WASHINGTON, December 2, 1949—11 a.m.

Chi Commie auths Mukden have ordered all non-Chinese members Mukden ConGen staff depart Mukden within 48 hrs after 0800 Dec 5, deportation via Tientsin. Commie auths presumably providing rail facilities to Tientsin while Dept and ConGen Tientsin arranging onward sea transportation for return to US.

In passing above info to FonOff of Govt to which you accredited, pls express Dept's appreciation for sympathetic response to Secty's appeal. Dept believes concerted and expeditious action on part these Govts may well have been responsible for effecting early release Mukden personnel.

Acheson

125.635/12-249: Telegram

The Secretary of State to the Consul General at Tientsin (Smyth)

WASHINGTON, December 2, 1949—7 p. m.

448. Re impending departure Mukden staff:
1. Pacific Far East Line whose Tientsin agent is Oriental Shipping Agency, 20 Harbin Road, First Area, Tientsin, has two ships calling Taku Bar as fol: Joplin Victory Dec 5–7 and Lakeland Victory Dec

Sent to the diplomatic representatives at Athens, Brussels, Cairo, Canberra, Copenhagen, The Hague, Manila, New Delhi, Oslo, Paris, Rome, Stockholm, and Vienna.
9–11. This co extremely cooperative and has already wired Tientsin agent accommodate any or all Mukden staff aboard either or both ships. Each ship has regular accommodations for 12 passengers but will make room for more. Both ships will proceed from Taku to Yokohama or direct to US depending on wishes Ward and staff. Pls arrange with local agent accordingly. Ward and staff onward transportation from Japan by regular passenger liner or air of course authorized. Ward authorized by previous tels to evacuate 6 alien employees and dependents to Hong Kong, Tokyo, or other nearby posts.

2. Physical condition Ward and others may require medical treatment Tientsin. On other hand may find it more desirable obtain treatment and thorough medical check-up Tokyo or even US. This decision entirely Ward’s. Pls advise Dept soonest so appropriate arrangements can be made beyond Tientsin.

3. Re publicity, Dept proposes have Ward speak freely to press after leaving Commie China, as was case with Dairen staff. This connection pls have Ward summarize and transmit Dept by conf tel brief summary highlights experience Mukden since Nov 18, 1948. Dept will then tel comments and instrs to first con office he will reach after departing Tientsin. He shld await these instrs before giving interviews to press.

In view frequent delay communications with Tientsin, ConGen given wide discretionary auth take whatever action neciss in line foregoing. Pls keep Dept fully informed.

Acheson

THE SECRETARY OF STATE TO THE AMBASSADOR IN THE UNITED KINGDOM (DOUGLAS)

WASHINGTON, December 2, 1949—7 p. m.

4325. Urtels 4794 and 4795 Dec 1. Dept suggests that in reply to any press inquiries re this case you state that Dept’s announcement of action by the Brit was based upon attitude of Brit Govt as understood by Emb at that time.

Although info reported in ur 4745 Nov 28 appears clearly to indicate that Brit were taking action responsive to Sec’s msg, it is desired that apparent contradiction receive as little publicity as possible and particularly that contention or recrimination be avoided.

Pls express to FonOff Dept’s view re publicity.

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

Peiping, December 3, 1949.

[Received December 3—1:40 a. m.]

2170. ReContel 2148, December 1. Peiping Jen Min Jih Pao December 2 carried NCNA Mukden December 1 despatch giving full text verdict Mukden Municipal People’s Court in criminal case alleged “American espionage agents["], substantial translation as follows, with surnames Japanese names preceding given names throughout:


Sentences: (1) Accused Sasaki Hirotsune, who assumed responsibility of leading and setting up American espionage organizations in territory of China to collect our military and political intelligence and supply it to American espionage organization, with objective of undermining revolutionary enterprise of Chinese people, is to be given sentence of 6 years. Hsiao Yao-ting and Sakashita Kiichi, who worked as American spies and assisted Sasaki Hirotsune in building espionage organizations, furnished military and political intelligence, and supplied it to American espionage organization, are each to be given sentence of 3 years. Hsiao Yao-ting is to be deprived of civil rights for period of 5 years. Yang Shao-ho and Yamamura Yoshiaki, who worked as American spies, furnished military and political intelligence and supplied it to American espionage organization, are each to be given sentence of 3 years. Yang Chao-ho is to be deprived,
of civil rights for period of 4 years. Takeuchi Hajime, who worked
as American spy and furnished military and political intelligence,
is to be given sentence of 2 years. [Garble] Legal procedures against
us are to be suspended. Two sets of American made radios, 1 genera-
tor, 1 set American made secret codes, 5 gold ingots, as well as 3 copies
of work projects, 4 letters of instructions, 13 copies of work projects,
4 letters of instructions, 13 copies of reports of activities of American
espionage organization "T.S.", 28 copies of drafts of information re-
ports, 40 maps and charts and 1 personal identification card which
above-mentioned defendants used to commit crimes are to be
confiscated.

(2) Accused Po Yen-tsang, who assumed responsibility of leading
and setting up American espionage organization in territory of China
to collect military and political intelligence and supply it to American
espionage organization, with objective of undermining revolutionary
enterprise of Chinese people and instigating our military and admin-
istrative staff to rebellion and revolt, is to be given sentence of 6 years
and deprived of civil rights for 6 years. Two sets of American-made
radios, 1 generator and 10 copies of secret codes, possessed by accused,
are to be confiscated.

(3) Accused Wu Jen-chieh, who undermined revolutionary enter-
prise of Chinese people, set up espionage wireless station in his own
home and transmitted intelligence for American espionage organiza-
tion, to be given sentence of 5 years and of civil rights for period of 6
years. Two sets of American-made radios, 1 generator, 5 copies of
secret codes and 10 gold ingots, with which accused committed his
crimes, are to be confiscated.

(4) All foreign nationals of former "American Consulate General"
in Shenyang are to be expelled from national territory of Chinese
People’s Republic.

[Here follow details of “Facts and reasons”.
]

It is observed defendants Sasaki Hirotsune, Po Yen-tsang, Wu
Jen-chieh et al., regularly received instructions regarding espionage
activities at former "American Consulate" in Shenyang and at former
ESD branches in Shenyang and Changchun and supplied intelligence
which related to state secrets of China. Various above-mentioned
facts sufficiently prove that former "American Consulate" in Shen-
yang and former American [garbled group] branches in Shenyang
and Changchun were all directing and concealing espionage organs of
imperialism, especially former "American Consulate" as [at] Shen-
yang which was seat of American ALG (44th External Survey De-
tachment, American espionage organ) and in which leaders of spy
ring (such as Nishida, Walsh, Hunt, et al.) had living accommodations
and by which their espionage activities were covered. It (American
Consulate) has really become center endangering national welfare
of People’s Republic of China, plotting against revolutionary enter-
prise of Chinese people and engaging in criminal activities, which
people of People’s Republic of China cannot permit nor endure. In
order to protect welfare of state and people of People’s Republic of
China, entire group of foreign personnel of former "American Con-
sulate" at Shenyang should be deported from China. To sum up,
with exception of Tsao Cheng-te, defendant, who died of illness which
on [garbled group] course of prosecution of law suit and whose trial
should be discontinued, and of former "American ESD branches" in
CONSULATES IN OCCUPIED AREAS

Shenyang and Changchun which have already left borders of People’s Republic of China and which discussions are temporarily suspended, judgment as contained in this verdict is re leadership [garbled group]. Criminal Court.

Chief Judge: Hsu Lieu.

Associated Judges: Sun Chien, Chiao Chuang.

First copy of above judgment is certified to be true copy. End of translation. Mailed to Tientsin.

Sent Department 2170, repeated Shanghai 1258, Nanking 1206.

CLUBB

125.6338/12-349 : Telegram

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

PEIPING, December 3, 1949.

[Received December 3—4:32 a.m.]

2179. ReContel 2170, December 2. Peiping Jen Min Jih Pao December 2 carried NCNA Mukden December 1 despatch re indictment filed by Shenyang Municipal People’s Bureau of Public Safety in Shenyang People’s Court re NE espionage case. Concluding portion of indictment contains detailed list of alleged evidence of American implication in espionage plot. Transcript of extract as follows:

(1) Two 15-watt AC-DC receiving and sending radio sets (American-made small model RDR type sets). One generator, 1 set secret codes, 5 gold nuggets (usually 1 ounce each) for espionage funds received from Nishida by Sasaki.

(2) Two 15-watt AC-DC receiving and sending radio sets (American-made small model RDR type sets), 1 electric generator, 5 copies secret codes, 10 gold nuggets and 1 case American cigarettes received from Hunt by Wu Jen-chieh.

(3) Two 15-watt AC-DC receiving and sending sets (American-made small model RDR type sets), 1 electric generator, 10 copies secret codes received from McAdam by Po Yen-tsong.

(4) 1 copy Undercover Activities for June and 1 copy Undercover Activities for October drafted by Sasaki by order of Nishida.

(5) 1 copy Undercover Activities in Various Eastern Mongolian Areas by Tsao Cheng-te.

(6) 1 copy Letter of Instructions Regarding Undercover Activities written in September 1948 by Nishida to Sasaki.

(7) 1 copy Letter of Instructions Regarding Investigation of Transportation Facilities of North Manchuria Railway written in September 1948 by Sasaki to Nishida.

(8) 2 Letters Asking for Information from Nishida to Sasaki dated July 29, 1948.

(9) 13 copies Biographical Material re Personnel American Espionage Organization directed by Sasaki as well as reports of and decisions taken following meetings re methods of activities.

(10) 1 Japanese resident certificate (No. L117) issued to Sasaki by Political Affairs Commission of NE Bandit Suppression Headquarters
of Kmt. Nishida having been retained for service by former “American Consulate” at Shenyang.

(11) 40 military maps and army geographic surveys, as well as 28 copies original manuscripts containing various kinds of intelligence.

(End of translation.)

Peiping Jen Min Jih Pao December 2 front-pages brief Mukden December 2 despatch reporting unanimous support by people all parts NE of decision Mukden Municipal People’s Court in trial on American “imperialist element” Ward.

Sent Department 2179, repeated Nanking 211, Shanghai 1261, mailed Tientsin.

CLUBB.

123 Ward, Angus L.: Telegram

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

PEIPING, December 5, 1949.

[Received December 5—3:22 a. m.]

2187. Ward reports by phone Chinese staff completely paid off December 3, and most have now left ConGen property. Still uninformed when schedule leave Mukden. Party will consist of 27 adults and 1 infant. Ward has information informally that 4 Koreans and 1 German (who was in USIS library at time isolation compounds November last year) also held in compound past year will be included in party. He wishes it understood he has nothing to do with those 5 persons.

British Proconsul [at] Mukden in touch with Ward through Mayor’s office but desired personal interview and visit still unobtained.

Consulate has been permitted contact commercial ship re movement personal and Government property, but shipper apparently reluctant undertake task. Bad weather connections [conditions?] past 3 days, poor phone connections.

Sent Department; repeated PolAd Tokyo, mailed Tientsin.

CLUBB.

123 Ward, Angus L.: Telegram

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

PEIPING, December 5, 1949.

[Received December 5—7:05 a. m.]

2201. Mukden reports this afternoon date departure still uncertain but believed will be evening December 6 or morning December 7.

United States Information Service.
CONSULATES IN OCCUPIED AREAS

Party will include 16 Americans, 11 non-Chinese aliens. Comprises 15 men, 9 women, 3 children (including 1 infant), 4 cats, 3 dogs.

Will carry hand luggage plus checked baggage, total 64 pieces or two and one-quarter tons, and will send 121 pieces personal effects total 11 tons by fast freight to Tientsin.

Americans are Angus Ward, and Mrs. Ward, William N. Stokes, Fred E. Hubbard, Ralph Rehberg, Jack Feigel, Mary E. Braden, Elden Berikson, Walter S. Norman, Hugh C. Picard, Shiro Tatsumi and Tatsumi's wife, minor son and daughter. Tatsumi and Ward's Polish maid Mrs. Janita Nowicka will proceed to States. Tatsumi's married daughter Mrs. Chen and infant child, both Americans, proceeding to Japan. Franco Cicogna, Mrs. Nanya Cicogna (both Italians); Alfred Kristan (German); Bladimi Petukhov, Mrtelpolga Tetuchov (mother), Mrs. Elizabeth Bootinsky and Illyshin Bootinsky (father), Sioagatoola Muhamedzan and Mrs. Muhamedzan (all Soviet subjects); and Karel Dedera (Czech); proceeding Japan, Hong Kong or other point Far East in accordance Dept instructions.

Sent Dept; AmPolAd Tokyo, Shanghai 1268, Nanking 1216, Taipei 47. Tientsin by phone and mail.

CLUBB

123 Ward, Angus L.: Telegram

The Second Secretary of Embassy in China (Bacon) to the Secretary of State

Nanking, December 5, 1949—3 p.m.

[Received December 5—12:54 p.m.]

2538. Re Peiping telegram 1212, December 2, sent Department 2156 [December 1]. Embassy agrees story should not be broken until Mukden personnel safely outside China. Facts case so shocking demand fullest treatment by way warning American citizens. Embassy recommends Department not only release story to press and foreign governments, but also prepare full blow-by-blow story based complete interrogation all Mukden personnel [in] Japan and including Communist official version and "judgment". Emphasis should be Ward and codefendants never fully informed charges until trial finished, never allowed full freedom present own cause or question any witnesses, not allowed introduce witnesses or retain counsel. Such judicial spectacle not only betrays truth behind Communists' show-trials all over world (since were dealing with persons they did not hope force into false confessions, they simply prevented them from preparing and presenting case), but also indicates China has retrogressed into legal barbarity which originally necessitated extra-territoriality. Lack most elementary safeguards persons in toils of police particularly
hazardous, view Communist disregard any facts but those they create and in view anti-foreign sentiment they industriously produce and nourish.

Embassy believes complete story should be circulated soonest by China posts to all Americans, to all representatives other nations here, to press all complexions and to all responsible Communist representatives.

Department pass Peiping, Shanghai, Tientsin in discretion.

BACON

123 [Ward, Angus L.]: Telegram

The Secretary of State to the Consul General at Tientsin (Smyth)

WASHINGTON, December 5, 1949—6 p. m.

451. Re departure plans Mukden staff, Department has made no commitments re travel any specific vessel or line. In addition to physician, however, Lakeland Victory may carry pool of 3 correspondents if Master so desires. Irrespective these arrangements, Dept strongly recommends Ward and his staff depart on first available US vessel and that party not be broken up on separate vessels. Dept realizes limited accommodations may mean certain discomforts for staff members while en route Yokohama but of opinion overriding consideration is that staff depart China at earliest moment possible and, if at all feasible, in single group. US ships due Taku Bar this week include Joplin Victory, Pacific Transport, Lakeland Victory and China Mail.

In event time factor such that Dept cannot review summary Ward's Mukden experiences (as first recommended Deptl 448, Dec 2) before Ward meets correspondents, pls give him fol instrs:

As ConGen in charge of Mukden staff, Ward shld act as official spokesman with correspondents. Dept desires give Ward wide discretion re material covered in conferences with press, but recommends he stick to facts and experiences omitting speculative, interpretive and analytical comment. Other members Mukden staff will undoubtedly be queried by correspondents, but while they shld refer all questions of official nature to Ward as spokesman, Dept no objection their discussing matters of personal nature of interest to papers in their home localities.

ACHESON
CONSULATES IN OCCUPIED AREAS

123 Ward, Angus I.: Telegram

The Secretary of State to the Acting Political Adviser in Japan
(Sebald)

WASHINGTON, December 5, 1949—6 p. m.

630. Dept understands correspondents seek board Lakeland Victory
Kobe to Tientsin where ship may pick up Ward and party from
Mukden. SS Co advised Dept correspondents’ efforts. Dept inter-
posed no objections provided accommodations for round trip addition
of Ward party but suggested feasible solution might be pool arrange-
ment with one person representing all press radio another all still
photographers and third newsreels.

Urgently instruct Kobe brief any correspondents making trip along
following lines:

1. Dept unable promise Ward depart via Lakeland Victory. Three
ships due Tientsin about same time. Commies may make decision for
Ward.
2. Must realize calling Commie port and Commies extremely sensi-
tive security. Urge utmost discretion all.
3. Warn photographers strong possibility Commie objections taking
pictures and danger arrest seizure films equipment by Commies.
4. Main US interest is get Ward and party safely out and hope
none will endanger his departure by trying take pictures or interview
him during actual boarding which might result prevention Ward
party departure and arrest correspondents.
5. Dept recommends all wait until ship safely at sea.

ACHESON

123 Ward, Angus I.: Telegram

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

PEIPING, December 6, 1949.
[Received December 5—10:03 p. m.]

2208. Mukden informed by phone today Ward party scheduled
leave Mukden 0345 hours December 7.
Sent Department 2208, repeated AmPolAd Tokyo, Shanghai 1271,
Nanking 1218, Taipei 48, Tientsin by phone and mail.

CLUBB

123.6331/12–649: Telegram

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

PEIPING, December 6, 1949.
[Received December 6—8:29 a. m.]

2210. Ward states was asked yesterday (December 5) by local
authorities for recent deeds or leases (uncertain which) for two pieces
Government real estate Mukden. When Ward stated believed title deeds in Washington, was informed US Government ownership would not be recognized.

Ward has had no further contact with Steventon, British pro-Consul Mukden, re takeover property.

Bryners now removing personal property and moveable Government property.

Tientsin by mail.

CLUBB

125.633/12-649: Telegram

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

PEIPING, December 6, 1949.

[Received December 6—11:36 p. m.]

2220. Kuang Ming Jih Pao today carries brief NCNA Peking December item headed "To protect Fruits Chinese People Revolution and to Suppress Espionage Activities of Imperialism, Whole Body Alien Personnel Former American Consulate Shenyang being Expelled[". Order fixes time limit for departure Shenyang within 48 hours to exit boundaries China via Tientsin, as follows:

“Public Security organ of Shenyang Municipal People’s Government in implementation of judgment directed by Municipal People’s Court regarding espionage case of former American Consulate stationed Shenyang has already informed whole body alien personnel former American Consulate stationed Shenyang fixing time limit by order that they should remove from Shenyang within 48 hours from 8 a.m. of the 5th of the current month and exit from the boundaries of China via Tientsin.”

Item makes no reference Soviet and Czech citizens now stated not being reported [deported?] with other personnel.

Peiping unable get connection with either Ward or British Consul Steventon, Mukden call time 0800–1000 today.

Tientsin by phone and mail.

Sent Department 2220, Shanghai 1280, AmPolAd Tokyo, Nanking 1222, Taipei 51.

CLUBB

123 Ward, Angus L.: Telegram

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

PEIPING, December 8, 1949.

[Received December 7—10:58 p. m.]

2233. Following from British Consul Steventon, Mukden, received last night through British Consul [at] Peking:
“01407 No. 1 for Clubb. Made contact yesterday afternoon full party left last night with 2 days food supply my opinion for Tangku. Will do all possible prevent damage loss to property. Many difficulties. Impossible check inventories properly. Acknowledge Steventon.”

Kuang Ming Jih Pao today carries NCNA Mukden item dated December 7 headlined “Ward et al. Depart Shenyang in Accordance With Time Limit Order Our Public Safety Organ” as follows: “Under notification of Shenyang Municipal People’s Government Public Safety organization’s time limit order, 20 persons Ward et al. of former American Consulate stationed Shenyang departed Shenyang today at 3:40 a.m. and will exit China boundaries via Tientsin.” Tientsin by mail phone.
Sent Department 2233, AmPolAd Tokyo, Shanghai 1288.

CLUBB

702.4193/12-849: Telegram
The Second Secretary of Embassy in China (Bacon) to the Secretary of State
Nanking, December 8, 1949.
[Received December 8—5:38 a.m.]

2559. Following two messages sent December 1 by British Pro-Consul [at] Mukden:

“Mr. L. Steventon presents his compliments to Chairman of North East People’s Government and informs him that he has now received instructions from his Britannic Majesty’s Embassy, Nanking, to assume custody of all US Government property and represent their interests in Shenyang. He further brings to chairman’s notice that he has not yet received reply to his previous requests for an interview with Mr. Ward or some other responsible member of his staff for purpose of checking inventories of property referred to. “In order that he may follow instructions of his Embassy, he repeats request for interview and fullest facilities to permit him to perform necessary work involved.”

“Mr. L. Steventon presents his compliments to mayor of Shenyang and wishes to inform him that he has been instructed by his Britannic Majesty’s Embassy at Nanking to accept custody of all US Government property and to represent American interests in Shenyang. “Property of US Government in Shenyang is of considerable value and quantity and it is necessary that inventories should be checked by him in company with responsible member of US ConGen. Some of property is in leased flats in British-owned Hong Kong and Shanghai Bank Building which since January, 1949, has been occupied by Transport Company whose employees have taken possession of flats. Flats were fully furnished in November 1948. To trace can only be accomplished by former occupiers.”
“In consideration of difficulties likely to be met with in assuming responsibility he requests that permission for an early interview with Mr. Ward be granted and all facilities be given to enable him to carry out such work as is necessary and satisfactory to his Britannic Majesty’s Embassy. He would greatly appreciate reply at mayor’s earliest convenience”.

Sent Department, repeated Peiping 425.

Bacon

123 Ward, Angus L.: Telegram

The Consul at Tientsin (Wellborn) to the Secretary of State

TIENTSIN, December 9, 1949—10 a.m.  
[Received December 9—9:41 a.m.]

1027. Re our tel 1026, December 9. We were able arrange December 7 with Tientsin Public Safety Bureau, Communist organ in charge Ward and party, for entire group to stay in US Govt houses. Permission given upon signing of guarantee by two (Vice Consul Manhard and myself) that deportees (1) would leave China on or about December 10, (2) appear at any time summoned and (3) would not go outside quarters or receive outsiders. Outsiders construed by PSB as all except regular occupants Govt houses and their servants. Text guarantee in following telegram.93

We had originally planned [to] quarter party in greater number houses for more comfort but PSB told us billeting to be limited to two Govt compounds. PSB endeavored impress us Ward party considered criminals and permission for them staying Govt houses great concession by Communists. We sensed Communists wish isolate group to avoid attracting attention and publicity. Local PSB apparently guided by orders from Mukden authorities. Liaison officers from Mukden accompanied Ward party.

Wellborn

123 Ward, Angus L.: Telegram

The Consul at Tientsin (Wellborn) to the Secretary of State

TIENTSIN, December 10, 1949—5 p.m.  
[Received December 10—3:49 p.m.]

1033. From Ward: Time too short for Department review summary Mukden experiences and I shall, therefore, follow instructions Deptel 451 to Tientsin, December 5, release factual account reporters Lakeland Victory tomorrow. Intend telegraph summary factual account from Lakeland Victory, if possible, otherwise Japan.

92 Not printed.
93 See telegram No. 1048, December 15, from the Consul at Tientsin, p. 1050.
Following brief analysis background Mukden experience submitted to enable Department appreciate many factors not apparent per se in factual narration Mukden experiences to be released press.

Sudden and complete collapse Nationalist resistance Mukden following Generalissimo assumption active military command (abruptly abandoning Li Kuang campaign strategy conserve men and arms for prolonged retention Mukden Island) caught CCP unprepared administer Mukden. Mayor did not arrive until third day occupation, financial officials even later and there was no CCP currency until week after occupation. Suddenness Nationalist collapse surely caught CCP officials Mukden without policy directives and lack communications probably required local officials make snap decisions own initiative. Believe decision arrest Consul General of this nature.

Arrest and isolation Consul General was foreshadowed November 6 (although not so interpreted at time) when building adjacent Consulate General office staffed CCP equipment and personnel which bloomed into warden’s headquarters date Consul General arrest. During negotiations November 15–20 over seizure Consulate General radio, I insisted ultimately only upon necessity communicate Secretary State for instructions, but this Military Control Committee refused, even via commercial facilities. I suspended radio transmission prior deadline of November 18, offered seal equipment and place it under CCP guard on Consulate General premises, but arrest imposed nevertheless.

Incommunicado Consul General arrest never defended by CCP as punishment failure surrender radio. January 13, Military Control Committee returned me several commercial telegrams to Department, subsequent arrest, with letter stating my telegrams would not be transmitted [as?] “United States and Northeast People’s Government lack diplomatic relations”.

I am convinced radio controversy mere pretext Consul General arrest which CCP required alleviate its fears Consul General engaged espionage. Badgering interrogation Chinese staff after November 20 plainly revealed CCP assumption Consul General involved. ... During interrogations following our police arrest October 24, prosecutor told Cicogna ... and only means effectively isolate Consul General from undercover operatives was to arrest Consul General and cut off all outside contact.

CCP hostility Westerners Mukden not confined this Consul General, British Consul stated he for months required special CCP permission leave his premises and has been followed everywhere; also entirely unable enter Hong Kong bank premises which under guard

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Possibly General Wei Li-huang, Commanding General of Chinese forces in Manchuria in 1948.

Chinese Communist Party.
and occupied by CCP government personnel. November 1948, CCP arrested custodian Hong Kong bank on charge secret weapons and he has since been held incommunicado unknown location.

During year arrest, have come to believe pro-Moscow elements CCP utilized Consul General arrest to drive wedge between United States and sympathetic elements CCP by aggravating conditions arrest to utmost. Chi Yu-heng incident (fabricated insofar Chinese not hit, kicked or otherwise injured) built by CCP into sensation in order drive wedge between American military and Chinese staff (thus blocking possible espionage through the matter our departure) and specially with spy ring trial to blacken us and justify our expulsion, rather than permit us depart pursuant United States protests and representations, which would have weakened their publicized independence “imperialist” influence.

Recent events corroborate my despatch 11 to Department May 11 
this subject to be air pouch from Japan.

Sent Department 1032. Department pass Peiping. [Ward.]

—Wellborn

125.633/12-1149: Telegram

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

Moscow, December 11, 1949—4 p. m.

[Received December 12—9:22 a. m.]

3086. Re Depcirtels November 19, 1 a. m., and November 26, 2 a. m., in note No. 8, dated December 11, Gromyko 1 acknowledges receipt Embassy notes of November 21 and 27 and states:

“In accordance with information received by MFA, 2 the former Consul General of USA in Mukden, Mr. Ward, and the group of staff members referred to in the letter of the Secretary of State, received the possibility to leave Mukden and already have left for Tientsin for the further journey to the USA.”

Department pass Peiping 22.

—Kirk

—Not printed; it was received by the Department on December 20 and concerned possible Communist motives for confining the Consul General at Mukden. Mr. Ward concluded that the Communists might well have assumed that the American representatives in Mukden were a source of military information to the Chinese Government at Nanking and that strategic information could best be protected by isolating the Consulate General from its presumable agents. He wrote that a second consideration might be to give color to Communist propaganda charges portraying American diplomacy as an evil influence (125.633/5-1149).

—Not printed; see similar circular telegram of November 18, 10 a. m., p. 1099.

—Not printed; see similar circular telegram of November 26, 1 a. m., p. 1021.

1 A. A. Gromyko, Soviet Acting Minister for Foreign Affairs.

2 Minister for Foreign Affairs.
CONSULATES IN OCCUPIED AREAS

125.6236/12-1149: Telegram

The Consul General at Mukden (Ward) to the Secretary of State

ON BOARD S. S. "LAKELAND VICTORY", December 11, 1949.

[Received December 13—12:55 p. m.]

13. Following factual summary Mukden experiences:
November 20 year ago without warning CCP soldiers cordoned ConGen office and both residence compounds, blocking all egress. Telephones and electricity were cut, disrupting office water supply and all lighting. Delegation Military Control Committee Mukden presented letter addressed me without title stating "Your failure surrender radio station constitutes intentional defiance; personnel former American ConGen hereafter forbidden intercourse with outside," notwithstanding my suspension radio traffic and offer place radio equipment under seal or guard, and that I had insisted only upon communication with United States Government before surrendering Government property, authorities refused permission to reactivate our station to request Department instructions regarding surrender. Delegation's denial my official status contradicted mayor's formal call and letters previously addressed me as ConGen by CCP civil and military authorities. Delegation then seized radio transmitters and generators, and also accused me withholding hidden transmitter. After 10 hours continuous bickering, delegation announced ConGen personnel confined residences incommunicado until further notice. I insisted remain with 18 employees in unlighted office, where 22 persons for 30 hours were limited total one bucket water, with warden ignoring appeals for more and guards forbidding even kerosene light. Aged German casual visitor USIS library confined with Americans for more than 1 year without reply his appeals release or access food, clothing and funds his residence. Chinese casuals caught in residences freed only after several months delay.

Military Control Committee orally assured me Nov. 18 it would transmit my official telegrams over Hsin Hua News Agency facilities. November 22 I submitted telegraphic report Department to Military Control Committee for such transmission. This was subsequently returned January 13 with final letter received from CCP authorities, stating no messages whatever would be transmitted because "United States and Northeast People's Government not in diplomatic relationship". Personal messages staff to families United States returned unsent. June 6 no communication of any type with outside world permitted and in more than year no communication whatever with other Mukden residents. Passersby were even arrested for waving greetings.

Not until December 4 year ago were Americans permitted move between residences and office, then only under guard and when warden
chose to approve specific petitions: Such limited movements subsequent year subject exasperating and wasteful delays and frequent failures permit more than single daily round trip to office. My request mayor restore electricity for Christmas was approved, ending 5 weeks' lack running water in crowded office and relieving eyestrain resulting enforced dependence kerosene lamps. Chinese staff subject repeated badgering interrogations aimed establishing espionage suspicions against ConGen and alleging collaboration with ESD.

Warden took our Chinese consular identity cards promising CCP countersignature but cards never returned. He also wheeled our curfew passes, falsely stating curfew revoked. He threatened seal ConGen safe containing office funds but threat never implemented. Warden imposed regular examination packages carried by American en route office, and mayor ignored our request for permission attend Easter services. Warden failed permit emptying overflowing cesspools in American residences. ConGen given consent dollar rate exchange during 7-month period in which official value silver quadrupled. May 17 Department ordered closure Mukden ConGen in telegram received by mail June 7 as incommunicado phase arrest ended.

June 20 local press published spy charges. Next day mayor's aide called (first contact in more than 7 months), stating People's Government approved ConGen request depart Mukden and requiring submittal packing lists goods to be shipped. When he asked I set departure date, I replied lack equipment and packers prevented me from determining departure date until allowed access to designated packing firm, and I pointed out lack telephones, recalcitrance of guards and limits on movement ConGen vehicles greatly hampered preparations.

On July 19 I requested facilities departure part staff July 27 and again August 12 but without fruit. Mytel 58 to Nanking September 17, rejected for transmission, reported inter alia.

"Authorities have continued refuse my wife access competent dentist known be present Mukden to treat tooth badly broken early in December. My urgent request April 27 services my physician ignored until June 4 and physician not even allowed complete diagnosis. Same physician later allowed 2 minutes consultation, examination, diagnosis, and treatment my wife suffering mild attack appendicitis. I and every American member my staff threatened at least once with firearms. Electric power needed for adequate water supply denied staff compound. Delay of weeks encountered in purchasing modest quantities packing materials and other supplies readily available in market. Refused permission purchase roof repair materials at times when rain heavy and roof leaking badly. Staff and I obliged wait months for overdue routine inoculations. Have been refused services professional packers and thus prevented from preparing household and office property for shipment pursuant Department instruc-
CONSULATES IN OCCUPIED AREAS

Adequate rail facilities available July 27 and 10 days following put authorities did not permit first group staff members depart from Mukden. We are dependent for fresh foods on merchant appointed by authorities and enjoying monopolistic right who has exploited us through prices over open market levels and through inferior quality and shortweight. Notwithstanding urgent pleas our warden protractedly delayed permission deliver coal in dead of winter to Tatsumi residence where his dependents were suffering from cold. Tatsumi was prevented from rejoining his family for more than fortnight after date our arrest, although I had been informed thereon he would be permitted return home next day. Non-American employees detained in office building repeatedly denied permission obtain urgently needed clothing from their homes. Although mayor informed me on November 5 he would accept uncoded telegrams for transmission and Military Control Committee made similar offer Nov. 18, office not permitted communicate with other Foreign Service establishments until June 6. Delivery telegrams from Nanking during past months delayed average 40 hours after receipt Mukden, and several official communications which I have submitted for transmission have been neither sent nor returned to me. I am still denied permission recover Government and staff property on storage former residences November 20.

September 27 FSA Chi Yu-heng in refusing perform assigned task threw down tools and left job saying “I quit”. He refused proffered final settlement, whereupon he was instructed leave Government premises permanently inasmuch final payment would be sent his residence upon his request. Chi nevertheless entered ConGen building surreptitiously October 10 without authority. When discovered morning October 11, I took him by hand and pacifically led him to courtyard; When he demanded money I stated he could await opening accounts office but if he refused settlement then he would have to leave building because he was committing trespass. Later same day Chi again refused settlement and when he adamantly refused leave building I took him by hand intending to turn him as trespassor over to armed sentry at street entrance. At no time did I or any member my staff strike, kick or injure Chi in any way. I was victim assault by Chi’s brother already reported Department (telegram reference presently not available) and later Kristan and Cicogna suffered beatings described therein. CCP guard witnessing Chinese staff beating Kristan refused Rehberg’s demand he intervene. Allegations Chi unconscious, suffered concussion and other serious injury totally unfounded: Police officer using office telephone was overheard ordering Chi’s retention hospital over objections doctor. During police physician examination Chi in office none of several Americans present saw any injury other than slight mat burn over right eye (which I and Rehberg saw inflict upon himself), and Chi’s own loud protestations immediately after incident belie his unconsciousness.
Atrocious conditions our confinement under police arrest after October 24 and perversions of justice during investigation and so-called trial November 21 reported my telegrams just prior departure Mukden.

Staff and I with dependents departed Mukden under heavy guard 0345 hours December 7, and after 40-hour rail journey (normally requiring 15 hours) in third class car with board shelves as beds, notwithstanding my request first class accommodations arrived Tientsin. All subjected severe cold during first hours of journey, and car entirely without water. All passengers confined to car throughout journey and subjected to constant surveillance by guards.

Much of foregoing information today released to correspondents.

Attitude of Tientsin local authorities toward us much less hostile and their treatment much more considerate than Mukden authorities. Radio equipment and one generator seized November 20 year ago returned by [our?] custody. Staff and I embarked at Taku Bar 0800 hours today on steamer Lakeland Victory. Shall disembark Kobe or Yokohama whichever first touched.

WARD

125.633/12-1349 : Telegram

The Consul at Tientsin (Wellborn) to the Secretary of State

TIENTSIN, December 13, 1949.

[Received December 15—12:44 a. m.]

1047. From Ward. “Consulate General Mukden declared closed on December 8 at 0800 hours upon my departure from Consular District through Shanhaikuan.”

Sent Department 1047; repeated Peiping by mail 332. [Ward.]

WELLBORN

123 Ward, Angus I.: Telegram

The Consul at Tientsin (Wellborn) to the Secretary of State


[Received December 15—1:29 p. m.]

1048. Following is translation of guarantee form required by Tientsin Public Safety Bureau for relinquishment of Ward and party into our custody during stay in Tientsin:

“The undersigned hereby guarantees that (blank) who are to be deported and are now waiting for transportation at Tientsin and the luggage they have carried with them shall all leave China on board the S.S. Lakeland Victory on or about December 10, 1949. While in Tientsin waiting for transportation, they shall temporarily be taken to the private living quarters of (blank) for residence and the undersigned guarantees that they shall appear at any time when they are summoned and shall not receive outsiders nor go out. The undersigned
guarantor (blank) shall be entirely responsible for the persons, living, speeches and activities of the guaranteed persons."

Chinese text guarantee signed December at Tientsin railway station on arrival of Ward group by Wellborn and Manhard as guarantors, and by persons guaranteed.

Sent Department 1048; repeated Tientsin by mail as 333.

WELLBORN

II. CONSULATES GENERAL AT PEIPING AND TIETSIN: REFUSAL OF CHINESE COMMUNISTS TO DEAL WITH CONSULATES WITHOUT RECOGNITION; CLOSING OF OFFICES OF UNITED STATES INFORMATION SERVICE; IMPOSITION OF TAXES ON CONSULAR PROPERTIES; QUESTION OF THE REGISTRATION OF CONSULAR PROPERTIES

893.00/1-1849: Telegram

The Consul General at Tientsin (Smyth) to the Secretary of State

TIENTSIN, January 18, 1949.
[Received January 18—3:47 a. m.]

81. Newspaper Tientsin Jih Pao carried following item today:

"Commander Nieh Jung-chen of the Peiping-Tientsin Garrison Headquarters in a joint statement on January 15 with political member Po Yi-po announced that the Liberation Army will accord protection to law-abiding foreign residents in Tientsin, on the condition that they observe the provisions laid down in the proclamations of the People's Government, the Military Commission, and the Garrison Headquarters."

Smyth

893.00/1-1849: Telegram

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

PEIPING, January 18, 1949—5 p. m.
[Received 10:07 p. m.]

60. ReContel 54, January 18,4 paragraph 4. USIS 5 Director Van Putten 6 reports that during past 2 days persons well-known their office have voluntarily come forward and informed them confidentially that they know certainly there has been formed organization Peiping to commit certain acts damage to foreign property and violence on individuals in case of attack on Peiping. One of contemplated terrorist methods is use gasoline bombs. Those persons who have reasons be friendly USIS and are trusted by USIS have recommended warning foreigners this area take adequate measures self-protection. They

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4 For information on Communist occupation of Tientsin, see telegram No. 61, January 14, 10:45 p. m., p. 48.
5 Not printed.
6 United States Information Service.
7 James D. van Putten, Consul at Peiping.
mentioned particularly Van Putten and me as persons to whom harm might come.

As of possible significance this general connection, report that this office earlier received from three different official quarters suggestion it might be better concentrate all Peiping Americans in Consular compound or ex-Legation quarter. Apart from nominal and possibly real intent these suggestions of assisting in providing protection foreigners, it is considered that incidental result any concentration Americans or other foreigners would be looting their property and occupation their premises. It would appear also possible however that some of those officials also are apprehensive of plans of Generalissimo’s special servicemen.

Suggest Embassy might find it desirable as measure precaution to (1) invite attention highest authority Nanking responsible for actions BIS special service personnel to Communist allegation (Contel 58, January 18 9 for text) and, referring to American experience Mukden 10 and Tientsin of discipline and general correctness Communist behavior, (2) point out that any untoward incidents involving terrorist acts committed against American nationals or property Peiping or Shanghai would in circumstances be unusually suspect, and (3) request special service organs in threatened points be strictly instructed to cooperate with local authorities to fullest to end that all possible and appropriate protection be accorded American lives and property.

If further developments make action appear needful, I propose, unless instructed otherwise, inform high local authorities I have received reports purporting to confirm Communist allegation and have appropriately informed by [my] Government.11

Repeated Nanking 56, Shanghai 54.

CLUBB

893.00/1-2149: Telegram

The Consul General at Tientsin (Smyth) to the Secretary of State

TIENTSIN, January 21, 1949—noon.
[Received January 21—7:44 a.m.]

104. This morning Jenkins12 and I had 1-hour talk with Yang Piao, newly arrived head of Foreign Affairs Bureau. He said Bureau was not formally functioning as at present there can be no formal

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1 President Chiang Kai-shek.

2 Chinese Bureau of Investigation and Statistics (Security).

3 Not printed.

4 For documentation on this subject, see pp. 993 ff.

5 The Ambassador in China (Stuart) instructed the Consul General at Peiping in telegram No. 19 (No. 157 to the Department), January 20, 6 p.m.: "suggest you do not take action suggested your last paragraph until so instructed."
relations with, by inference, countries which do not recognize Communist government. He said, however, that any individual foreigners as private persons, could write to them if they had any problems. (So far in practice they have not always insisted on this and some minor matters have been taken up orally. For example, Yang obtained return of French motor car mentioned ourtel 78, January 17.\textsuperscript{13})

We discussed with him question of our radio which Communists under regulations announced yesterday (ourel 100, January 20\textsuperscript{13}) forbidding operation sending stations after 72 hours from morning of January 20. We pointed out advantages of fact that we had been able to report promptly safety of American and other foreign nationals. We requested we be permitted to continue to operate station. He said he would transmit request to appropriate authorities.

We said for 2 months now there had been no word from our Mukden Consular staff and that we were very much concerned. He said he had no information but would transmit for inquiry to appropriate authorities.

During our talk he made it clear he had no authority to make decisions on matters or answer inquiries raised by us. Thus inability to obtain information on decisions is characteristic of experience of other foreigners with various Communist officials. It is possible that much of this indecision may be due to their inexperience and confusion in initial period. Communists themselves admit they have much to learn but profess they are anxious to learn and to use available talents satisfactory to them).

\textbf{Smyth}

\textit{893.00/1-2449: Telegram}

\textbf{The Consul General at Peiping (Clubb) to the Secretary of State}

\textbf{Peiping, January 24, 1949.}

[Received January 24—8:06 a.m.]

117. By present reports no Americans were killed or injured in course recent fighting and turnover of PPG.\textsuperscript{14} This report includes Americans [at] Tungchow from which point report received today but does not include recent information from either Yenching-Tsinghua area or western suburbs. At last report, however, Americans these two districts were also safe and it is believed their welfare also assured. So far as known at present only foreigners killed or injured were one German killed and one British wounded as previously reported.

Sent Department 117, Nanking 100, Shanghai 100.

\textbf{Clubb}

\textsuperscript{13} Not printed.

\textsuperscript{14} Peiping. For information on Communist occupation of Peiping, see telegram No. 84, January 20, 5 p.m., p. 59.
The Consul General at Peiping (Clubb) to the Secretary of State

Peiping [via Shanghai], January 31, 1949—3 p.m. [Received February 1—12:40 a.m.]

152. Following is substance (in translation) of message relayed by Shanghai from AmConsul [at] Peiping:

1. Communists accord no recognition functions Tientsin Consulates (including Soviets).
2. No communications permitted outside Tientsin.
3. All activities foreigners virtually paralyzed.
4. There exists no possibility establish contact responsible local authorities for discussion difficulties which arise.
5. After basic statement issued re protection foreigners, there are no signs leading to hope normalization soon existing situation.
6. If present unsettled political situation continues, quick determination position foreigners may be forecast and they would unavoidably find themselves in condition interned persons.
7. Consuls are keeping in touch in order prevent repetition situation prevailing Mukden.
8. Up to now nothing perilous has happened re foreign nationals but because lack normal activities serious financial difficulties may at least be anticipated.
9. Living costs increasing vertiginously.

Peiping Consul reports this message brought back by person he sent Tientsin to establish contact, that messenger (foreigner) experienced difficulty returning because of Communist prohibition travel foreigners through central station Tientsin.

This source indicates consular officials not permitted use cars.

Italian Consul here lacks telegraphic facilities, requests above information be transmitted Italian Ambassador, Nanking.

Sent Department 152, repeated Nanking 128, Shanghai 122.

Clubb

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

Peiping, February 2, 1949—11 a.m. [Received February 2—6:09 a.m.]

163. Mukden experience indicates we may soon expect visit from Communist authorities to check (1) possibility that Nationalist officials may have taken refuge Consular premises; (2) operation radio station; (3) possession arms or munitions.

In view possibility Peiping may be off air at time and Communists might conceivably make propaganda re any of three points, report now for possible future reference that (1) no refuge at Consulate asked by
Chinese official or given; (2) radio station will continue until cessation
demanded whereupon when forced station will go off air with Con-
sulate trying at same time obtain regular commercial facilities;
(3) Consulate and ECA, both without Govt arms or munitions. Of
Govt arms, Office Assistant Military Attaché has 6 carbines, 1 pistol,
AstALUSNA 17 2 pistols, and DALS 18 25 carbines, 13 pistols. Some
other arms held privately. No attempt will be made secrete any those
arms. Possession will be explained as (1) partly custodial (AAG),
(2) partly preparation possible self defense in uncertain situation.
They will be turned over if demanded with request for inventory
receipt.

This message shown concerned military offices.
Sent Dept 163, Nanking 138, Shanghai 136, Canton 1.

CLUBB

893.00/2-349: Telegram

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

PEIPING, February 3, 1949.
[Received February 3—9:43 p. m.]

175. Article 7 of proclamation issued February 2 by “PPG-Tientsin
front line headquarters Chinese People’s Liberation Army” signed by
Lin Piao as Commander and Lo Jung-huan as Political Commissioner
provides:

“Safety of lives and property of foreign nationals shall be protected.
All foreign nationals must observe laws and regulations of this army
and democratic government, may not undertake espionage activities
and may not act in opposition to matters of Chinese revolution. They
may not hide war criminals or anti-revolutionary elements or other
criminals. Otherwise they will naturally be handled in accordance
with laws this army and People’s Government.”

Article 4 of proclamation issued February 2 by Nieh Jung-chen as
PPG Defense Commander and Po Yi-po as Political Commissioner
provides:

“All arms of Kmt 20 government military and civil officials, pao
chua 21 members and other arms of population whether or not they
have received arms permits issued by Kmt government must be alike
delivered to this army or to People’s Government. None may secrete
arms, munitiens, radio stations or other articles of military use. Of-
fenders will be handled in accordance with law.”

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17 Economic Cooperation Administration.
17 Office of Assistant Naval Attaché for Air.
18 Department of the Army Language School at Peiping.
19 Army Advisory Group.
20 Kuomintang (Nationalist Party).
21 Local militia.
Article 7 same proclamation provides:

"Nationals of countries must observe laws and regulations Chinese Liberation Army and People's Government. Offenders shall be handled in accordance with laws Chinese People's Government."

Article 8 provides:

"All military and civil personnel must alike strictly observe laws and regulations People's Government and three great disciplines of People's Liberation Army together with eight items for note and regulations governing entry into city. They are, moreover, subject to restrictions garrison inspection corps. Offenders will be handled in accordance with discipline regulations."

Another proclamation same date designates Cheng Tzu-hua as PPG garrison commander and concurrently political commissioner with Peng Ming-chih and Wu Ke-hua as vice commanders and Mo Wen-hua as deputy political commissioner. All these proclamations published Jen Min Jih Pao February 2.

Sent Department 175; Nanking 146; Shanghai 148.

CLUBB

125.8876/2-449: Telegram

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

PEIPING, February 4, 1949—3 p.m.

[Received February 4—10:52 a.m.]

182. ReContel 162, February 1.** Consulate messenger went Tientsin February 2, saw Smyth February 3, returned last night. Reported as follows:

Communist guards placed all residences Consulate personnel for 4 or 5 days after occupation during period when there was much looting; then withdrawn. None now stationed either residence or Consulate. Smyth's opinion, guards stationed first instance purely protection. Americans and aliens have freedom movements. USIS and Consulate open as usual. USIS attendance fair.

Shortly after occupation Communists directed registration all radios. When Consulate contacted liaison officer of "foreign affairs section", Communists said deliver radio within 72 hours. Radio sent police with inventory and official letter. Both returned with statement equipment not confiscated, merely held in custody, necessary however Consulate take Communist word for no receipt would be given. Consulate has experienced no other trouble. Home radios retained.

Communist regulations all cars must be registered and have new licenses before use. Consulate cars' registered licenses unreceived.

**Not printed.
Main complaint Consuls is absence person of real authority with whom deal. British Consul tried call on mayor, waited hour, no success. Smyth [has] not called.

Smyth expressed desire have such help this office could give re four points: (1) Consuls [at] Tientsin unable contact person bearing real responsibility, desire see person of authority, (2) Informed by very junior liaison officer, their consular status unrecognized pending recognition Communist regime and desire accept their official status, (3) Inter-port travel, telegraphic and mail facilities desired for foreigners, (4) Foreign banks remain closed primarily awaiting contact responsible authority.

No great difficulty get travel pass, only long wait in line. Some [Same] bottleneck re tickets. Persons with silver required change at office gate at station. Travel trip took about 4½ hours. Third class only.

ECA messenger also made round trip. Consulate messenger observed no foreigners traveling.

Sent Department 182, Nanking 152, Shanghai 154.

Clubb

893.00/2-449: Telegram

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

Peiping, February 4, 1949—4 p.m.
[Received February 4—11:37 a.m.]

177. ReContel 176, February 3. Foreign Consuls [at] Peiping exchanged views February 2 general subject calling on new mayor. French Consul said he proposed call on Yeh Chien-ying soon, being under instructions particularly from his government early invite attention Communist authorities desirability foreign Consuls [at] Tientsin and Mukden be given facilities contact their governments. British, Dutch, Belgian, Italian representatives indicated they wished consider matter further before acting (at time discussion, still unknown whether Yeh had formally assumed duties mayor). Soviet Consul said he would have to await instructions from Embassy before taking action.

There was ruled out from beginning of discussion any project for joint action re matter meeting being for sole purpose exchange views. I stated my position as being: (1) I would assume local authorities would accord us rights and privileges in accordance international law and practice until discovered otherwise; (2) my function was to protect American lives and property and I was expected maintain with local authorities such contacts as necessary for effective fulfillment my

*Not printed.

*General Yeh Chien-ying.
functions; (3) if new mayor took up post I should, in due course, offer pay courtesy call; (4) functions consular officer unconnected in international law with question recognition.

It now appears Yeh has assumed duties as mayor. In practice Communist representatives, as previously reported, proving very elusive but French Consul and I yesterday indirectly requested to call on Yeh his convenience, Dutch did same today.

Assistant Military Attaché Barrett 25 well acquainted new mayor and propose when and if I see Yeh to approach him re meeting Barrett and Assistant ALUSNA Williams 26 informally. 27

Sent Department, Nanking 149, Shanghai 151.

CLUBB

803-00/2-549 : Telegram

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

PEIPING, February 5, 1949.
[Received February 6, 1949—12:02 a.m.]

184. Jen Min Jih Pao, February 4, carried official proclamation issued in name of Yeh Chien-ying and Hsu Ping as mayor and deputy mayor announcing that Peiping Municipal Government, established effective January 1 in Peiping suburbs, had taken up duties Peiping itself February 2. Press today reports formal takeover municipal government yesterday. Hsin Min Pao, in report of speech given by Yeh Chien-ying on that occasion, quoted him as stating inter alia as follows:

"In world today socialism is already main current, capitalism surely is going to die. This has already been stated 100 years ago by Marx. Capitalism, however, in the world still can have period of life. Socialism and capitalism can co-exist in world together. Regarding foreign relations of China, henceforth it is only requisite that there be adherence to principles of equality and mutual benefit and we can have mutual exchange of what we have for what we lack with capitalist states and enter upon treaties for commercial intercourse and trade." (Full text of speech by mail. 28)

Retel 30, February 4 from Shanghai [to Peiping] 29, press today reports resumption regular train service as of February 4 from Peiping station to Tientsin with three trains daily and two trains daily

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26 Lt. Thomas E. Williams, Assistant Naval Attaché and Assistant Naval Attaché for Air.
27 The Consul General at Peiping stated in his telegram No. 215, February 10, 5 p.m. to the Department: "French Consul and I were informed by intermediary February 8 that Yeh Chien-ying desired we postpone calls for present (Contel 149 February 4) since arrangements not complete. In communication to French Consul 'technical difficulties' were mentioned."
28 Despatch No. 30, February 25, from the Consul General at Peiping, not printed.
29 Not found in Department of State files.
likewise each to Kalgan and Chohsien. Same item reports direct trains to Shanaikwan will be resumed today. Peiping Jih Pao reports exchange rate for gold yuan has been fixed by People's Bank at 1 PB equals 10 gold yuan, that exchange of gold yuan has already been started but that rates for gold and silver still unfixed. Shih Chieh Jih Pao reports peace delegates from Shanghai and Ningsia are scheduled proceed Peiping by plane tomorrow. Same general information carried by other papers but matter unconfirmed. Ordinary mail (including registered and express letters) accepted by post office for Tientsin but telegraph office still does not accept telegrams for same point. Jen Min Jih Pao today carries protest CEC Chinese Communist Party release Okamura and his return Japan.

Sent Department 184, Nanking 154, Shanghai 187.

893.50 Recovery/2-749: Telegram

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

Peiping, February 7, 1949—3 p.m.

[Received February 7—4:54 a.m.]

189. ReContel 167, February 2. Application this office to Peiping garrison headquarters [for] permission ECA chartered plane land Peiping with some two tons medical supplies for PUMC and airlift out certain ECA personnel brought response, purportedly by authority garrison commander Cheng Tzu-hua, that no plane regardless nationality or mission would be permitted land Peiping except those from other points Communist-controlled territory.

Matter not being dropped and appears this office some possibility still exists arrangements can be made. This probably cannot be achieved within next few days because (1) position taken by garrison commander, (2) evident circumstance Communist control still not well organized locally. Matter complicated by absence to date effective direct contacts authoritative quarters.

Note however “peace delegation” plane able land Peiping yesterday (after being fired on) and recommend publicity re subject be withheld pending more definite crystallization.

ECA Peiping director Davis reported separately his Shanghai office re matter February 5.

Sent Department 189, Shanghai 160, Nanking 156.

CLUBB

29 Central Executive Committee.
32 Not printed.
33 Peking Union Medical College.
34 Ritchie G. Davis, acting special representative for Chief of ECA Mission (North China).
The Consul General at Peiping (Clubb) to the Secretary of State

PEIPING, February 7, 1949—3 p.m.
[Received February 7—8:05 a.m.]

191. Application February 2 to Peiping garrison headquarters re ECA plane (Contel 189, February 7) elicited incidental statement attributed garrison commander that Communist side has no relations with Ambassadors or Consuls and has nothing to do with them. Attempts February 3, 4 and 5 arrange call Peiping-Tientsin defense headquarters on official business (re Consular radio station) brought statement officer that organization February 5 that his superiors had instructed that in absence of diplomatic relations between “Chinese People’s Government” and USA there is no need receive me even on official business. British Consul reports his official communications returned.

FonOff representative told me February 5 he met same day with Yeh Chien-ying who indicated that local Communist authorities proposed have relations with foreign Consuls [at] Peiping with reorganization and enlargement present Peiping office, special delegate Foreign Affairs with concentration in that organization of matters previously handled partly by “Foreign Affairs Sections” in Municipal Government, Bureau of Police and NCBSH.85 Foreign Office representative indicated he and representative Executive Yuan Ministry Information Office were being invited take over task reorganization. He opined that prior to organization such office little could be expected re administration foreign affairs as new organizations were without directives. He thought Yeh would probably see foreign Consuls soon after setting up new organization. Project based on Yeh’s concept that (1) coalition government will soon be established Peiping, (2) new government needs foreign relations (Contel 184, February 5) and (3) Communists would observe treaty obligations (unclear from FonOff representative’s report whether Yeh meant this principle would be [garble] without exception).

Believe difficulties of contact will continue immediate present as indicated. Believe also Yeh’s reputed good intentions may suffer some check from thinking other Communists’ quarters induced by past propaganda. Believe finally, however, Communists will probably in due course be forced by hard facts take more practical view “foreign relations” in its various economic and political aspects.

Sent Department 191, Nanking 158, Shanghai 161.

Clubb

85 North China Bandit-Suppression Headquarters (pre-Communist).
CONSULATES IN OCCUPIED AREAS

893.00/2-949 : Telegram

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

PEIPING, February 9, 1949—2 p.m.
[Received February 10—1:46 a.m.]

201. ReContel 117, January 24.\textsuperscript{85} seemingly complete information indicates all Americans unharmed in course recent fighting.

Foreigners permitted in out Peiping gates freely and travel been performed variously Tungchow, Yenching and west hills. Group foreign picnickers February 6 west hills, however, approached by representatives Military Affairs Control Committee who said they should have permission school authorities visit area, that military authorities needed advance notice order give protection, that still period military government, and mines and grenades still scattered about. However, soon they would be free go where they pleased. Consul to get definite regulations, if any, on interpost travel foreigners.

Take this opportunity report no panic or alarm among foreigners during period turnover and no last minute demand for evacuation (few Americans left after beginning siege), that Consul staff in particular continued regular performance duties calmly and efficiently under heavy overload office work (particularly code work) despite local uncertainties and inconveniences.

Sent Department 201, repeated Nanking 165, Shanghai 171.

CLUBB

125.7146/2-1049 : Telegram

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

PEIPING, February 10, 1949—3 p.m.
[Received February 10—10:13 a.m.]

205. ReContel 191, February 7. Though this Consulate had tried unsuccessfully contact appropriate Communist organization and discuss position Consular radio and to date no call from Communists, view public proclamation (Deptel [my] 175, February 8) thought advisable indicate US bona fides by indicating to Communists that Consulate had radio and would discuss matter if there were any query its operation. Yesterday took up matter with former Foreign Office representative in absence direct contact, told him of unsuccessful attempts make contact, re Consular radio, stating it was hoped due importance communications we could continue operate radio, if any query such operation would discuss with appropriate authorities. Said radio used for official purposes only; in addition was Government property and I would, of course, not be in position hand over such

\textsuperscript{85} Not printed.
Government property. Stated I assumed original proclamation of Peiping-Tientsin defense headquarters referred primarily to Chinese Government and Party radio but I felt it desirable clarify situation. Sent Department 205, repeated Nanking 169, Shanghai 176.

CLUBB

125.7146/2-1149 : Telegram

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

PEIPING, February 11, 1949—4 p. m.  
[Received February 12—12:35 a. m.]

216. Informed last night by intermediary, who stated categorically he transmitted message “in personal capacity” as local Foreign Office branch now defunct, that Communist authorities gave oral approval continued use Consular radio for present, permission without prejudice question later delivery over of station. Since my position regarding handing over Government property already set forth (see Consular reference telegram 37), did not consider it appropriate or desirable argue possible later Communist demand now.

Consul General ceased accept press messages effective time Communist occupation Peiping and early issued office order directing care regarding character message sent plain, aim being avoidance giving Communists ground protest. Recommend no publicity.

Repeated Nanking 176, Shanghai 181.

CLUBB

119.2/2-1649 : Telegram

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

PEIPING, February 16, 1949—3 p. m.  
[Received February 17—4:11 a. m.]

245. [To Nanking:] ReEmbtel 43, February 5.38 No opportunity yet for taking up effectively subject retfel. Foreign Nationals Affairs Office evidently has begun functioning but to date all contacts Communists have brought statement Consular officials Peiping unrecognized. Regarding communications, note that according information received from employee telegraph office by member Consulate General there now exists no telegraph communication between Peiping and any point liberated areas, that only telegraph connections are with Nationalist-controlled areas, that incidentally telegraph operators Peiping consistently propagate operators Nationalist end. Lack telegraph communications is generally not only for Consular officials Tientsin but Chinese and foreigners all North China except Peiping.

37 Supra.
38 Not found in Department of State files.
CONSULATES IN OCCUPIED AREAS

Foreign newsmen have received information indicating Communist censor now functions Peiping telegraph office but instead performing duties usual fashion simply destroys displeasing press dispatches. No indication given newsmen of cutting or failure send message.

Peiping chief operator now certain from technical indications that station nearby is monitoring Consular frequencies presumably with old-type receiver as he can hear frequency beat heterodyne.

Sent Nanking 198, repeated Department 245, Embassy Canton 6, Shanghai 206.

CLUBB

883.00/2-1949 : Telegram
The Consul General at Peiping (Clubb) to the Secretary of State

[Extract]

PEIPING, February 19, 1949—4 p. m.
[Received 11:52 p. m.]

260. ReContel 245, February 16. Without formal announcement apparently effective February 17 (when signboard put up), Foreign Nationals Affairs Office, Peiping Municipal People’s Government, now functioning old Foreign Office delegates’ office on Legation Street. Davis, Barrett and I called severally re various matters and alike told since local authorities do not have diplomatic relations with foreign governments, office unable deal with us in official capacities, that office’s procedure requires for present, although situation indicated expected improve as office gets going, completion Chinese form identifying caller and setting forth business. With reference official position deleted from form possible get reply queries. My case notation make under occupation simple deleted space left blank which satisfied persons concerned. Will make effort handle matters outstanding that basis. Effectiveness representation this channel remains be seen.

Sent Department, repeated OffEmb Canton 7, Shanghai 223. Shanghai pouched Nanking.

CLUBB

125.7146/2-2349 : Telegram
The Consul General at Peiping (Clubb) to the Secretary of State

PEIPING, February 23, 1949—7 p. m.
[Received 8:47 p. m.]

282. Effective this morning “political directive officer” Liu Tso-hung directed this office state manner procedure being established re entrance [and] exit this compound as follows:
1. All persons riding vehicles any nature should dismount to be identified by guard before allowed in.
2. No other foreigner allowed in except Americans with official business this office.
3. Not allowed out of compound. Basis principles governing procedures stated “protection foreign lives, property”.

Although have been variations this today, that is effective procedure end day.

I sent Sollenberger request said political officer see me discuss matter which refused do, later discussion procedure petty guard officer resulted no easing situation.

Meeting Consulate officers this afternoon showed essentially same applies other Consulates (excepting Soviet Consul not present as his confirmation his office ceased function, he now has position private citizen, general situation unknown though guards present). Car with Chi[nese] observed entering Soviet compound without requirement dismount. Consuls decided try discover channel joint approach concerned authorities with possibility that regard sending letters report to Foreign Nationals Affairs Office new meeting February 25.

Italian Consul requests Nanking inform his Ambassador.

To date note has generally proven possible foreigners enter Consulate upon identification.

Repeated Nanking, Shanghai.

CLUBB

125.937/2-2449 : Telegram
The Consul General at Tientsin (Smyth) to the Secretary of State

TIENTSIN, February 24, 1949.
[Received February 27—2:44 a.m.]

125. All members staff, all other Americans Tientsin well. All have free movement. Despite continued anti-American propaganda newspapers, radio, posters, Americans so far received treatment good as other foreigners. In some ways Americans fared better than some other foreigners as fewer points friction; for example, British [and] Soviets much larger national groups, property interests here, and [there] has been much dissatisfaction their part with billeting troops. So far no troops billeted residences, occupied Americans, but many Soviet, some British residences occupied by troops.

In general, American business men have adopted policy wait-see and majority seem feel Communist inaction, tending to restrain trade and business, may be due more to inexperience, ignorance than to deliberate anti-foreign policy. The two American Missions with American staff

* Howard Sollenberger, Director of the Army School at Peiping.
(Methodist and American Board) also adopting wait-see policy; they continuing usual activities, including schools with only minor changes in curriculum and administration; these changes so far do not adversely affect Mission pursuits.

Believe it too early for accurate appraisal to be made of future prospects for American and other foreign business and Missions. New regime up to now so busy with take-over problems and coping with situation with which they not familiar and for which they had inadequate trained personnel that have been few indications what policy toward foreigners' affairs or interests will be. One exception is strong consistent anti-American propaganda press, radio, evidences so far this propaganda not too effective city residents but too early judge results; troops seem indoctrinated with propaganda.

Smyth

702.0093/2-2649: Telegram:

The Consul General at Tientsin (Smyth) to the Secretary of State

TIENTSIN, February 26, 1949—10 a.m.

[Received February 27—6:24 a.m.]

124. Communist authorities continue regard local Consuls, including Soviet, as civilians as their countries do not recognize Communists. In accordance Depts. we send no letters to local authorities in official capacity. My only contact local authorities was talk with official Foreign Affairs Bureau mentioned mytel 104, January 21. Only letter to local authorities January 31 to Mayor signed "For American Community of Tientsin". This letter similar to letters sent same time to Mayor by other Consulates, except Soviet, protesting hardships imposed foreign community by lack banking, communication facilities. Letters from other Consuls signed official capacities returned with statement that "as Chinese People's Government does not have any diplomatic relationship your government, your letter officially written in capacity of Consul cannot be received and is returned herewith". Reply my letter received from Secretariat People's Government for Tientsin stated foreign residents concerned should approach Director Foreign Affairs Department of People's Government of Tientsin and Foreign Residents Affairs Section of Public Safety Bureau of People's Government Tientsin for negotiations.

Clear local authorities avoiding recognition official status of Consuls and on all occasions when local Consuls approached them it was pointed out that they considered as ordinary citizens and can only deal in their individual capacities. For example, applications made by Consuls for licenses official cars returned with suggestion applications be made in individuals' names. Have obtained licenses for three official

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Note printed.
cars in the individual names and working on two jeeps. Other Consuls also got licenses in name individual members staff.

Smyth

315. USIS this morning received as specific addressee copy of mimeographed communication “Tung No. 1” February 27 sealed and bearing signatures Yeh Chien-ying and Tan Cheng in respective capacities Director and Vice Director Peiping Military Affairs Control Commission, in translation as follows:

“In view circumstances present military period, all foreign news agencies and correspondents (literally, reporters) may alike not carry on activities in this municipality, and all foreign nationals may not operate newspapers or magazines in this municipality.

“Therefore, this commission especially informs the United States Information Service now at Peiping to cease activities of issuance of news file from this date, and all foreign news agencies and correspondents of foreign newspapers and magazines to cease activities of collection of news and dispatching of news telegrams from this date. It is expected that there will be observance (of the above) without infractions.”

In light this official notification, USIS is of course stopping immediately issuance news file, pending possible later modification official position this regard. It is understood same official notification has been addressed particularly to all local foreign correspondents.

Sent Department 315, Nanking 225, Canton 10, Shanghai 247.

Clubb

322. Re Contel 282; February 23. At meeting Consuls February 25 decided since situation consular gates bettering, result sit[uation] same before save Communist soldiers now in place police, démarche by Consulates unnecessary. Generally agreed advisable due course express authorities assumption [garble] police not soldiers temporary emergency and that police if anyone would return. Agreement also on indirect approach to Mayor Yeh Chien-ying had elapsed, with takeover
former Foreign Office, new approach should be made via Foreign Nationals Affairs Office. All now submit severally but identical notes requesting this courtesy call. I have presented application. On request subordinate official, indicated [omitted?] official position on application, noting request made as ordinary foreign citizen. This accepted. Also stated this time tell chief other instructions discuss with responsible authority important matters, requested be advised procedure.

CLUBB

803.00/3-449: Telegram

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

PEIPING, March 4, 1949—10 a. m.
[Received March 3—11:14 p. m.]

350. ReContel 201, February 9. Although phone communications with Yenching [and] Tsinghua have been restored for about 2 weeks, movements foreigners that general area still under restriction. Foreigners Tsinghua are able come in town with passes (now required for passage through all gates) while Yenching foreigners are confined campus by request Communist authorities, this nominally for their protection.

ECA personnel Peiping informed by Foreign Nationals Office they will be given travel passes when ready to leave. Foreign businessmen who obtained travel passes Bureau Police Tientsin for trip here discovered Peiping police uninstructed, therefore unable issue passes. Americans successfully returned Tientsin but reported back by phone travel to Tientsin without at least Tientsin pass would get into difficulties since controls worse than before.

Oldtime employee Mukden Consulate planning return Mukden confirms general impression travel to Manchuria more difficult than elsewhere.

CLUBB

125.7146/3-849: Telegram

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

PEIPING, March 8, 1949—4 p. m.
[Received March 8—9:12 a. m.]

368. ReContels 329, February 28 [March 1], and 347, March 4. 40

Consulate General received request yesterday from British Consul in

40 Neither printed.
552-963—78—68
view present inacceptability coded messages for transmittal commercial facilities, Contel 362, March 8,41 there be arranged if feasible transmit by American network of official British messages Tientsin, Peiping, prefaced by code word SPECIAL. Though this done in past under Nationalists, situation is now to be considered different, station now maintained only by temporary sufferance on basis my statement that traffic [limited?] to American official messages only; if granted British under present conditions, presumably should be under moral obligation grant same other Consuls and granting such facilities probably bring closer still date closure particularly since security all officials both ends would keep secret fact of transmittal.

View all circumstances, believe inadvisable grant British request unless Communist approval received. Since practically infeasible obtain such, and approach moreover immediately bring to fore question continued use station, would recommend request be refused this time on grounds we have indicated station for American official use only and we find it desirable adhere that assurance unless Communists willing extend it which thought unlikely.

Please instruct.
Repeated Nanking, Shanghai.

CLUBB

893.00/3-949 : Telegram
The Consul General at Peiping (CLUBB) to the Secretary of State

PEIPING, March 9, 1949—5 p.m. [Received March 9—1:46 p.m.]

375. Re Contel 350, March 3[4]. Correcting report contained reference. Contel re movement foreigners Yenching, note Americans Yenching stated yesterday phone foreigners there not confined campus although it suggested to them they should not proceed west hills (Contel 201, February 19[9]), that restriction their moves due inability to date obtain passes for Peiping city gates but it is felt passes forthcoming near future.

Official Peiping police bureau called March 5 own volition to inform passes for travel Peiping-Tientsin were obtainable that bureau by application 1 day in advance. Brown 42 Tientsin stated by phone yesterday it, takes approximately 5 days to obtain passes Tientsin-Peiping (Brown's own application now pending 5 days).

Above policeman also asked whether Consulate had recently been troubled by armed soldiers endeavoring enter compound or by persons

41 Not printed.
42 Willard O. Brown, Consul at Tientsin.
desiring borrow articles (well-known Communist habit which must be said usually followed by return articles borrowed). Suggest this apparent solicitude may be another indication changing Communist attitude respecting foreigners and particularly Consulates, Peiping. Repeated Nanking, Shanghai and Canton.

CLUBB

125.7146/3-649: Telegram

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

WASHINGTON, March 11, 1949—6 p.m.

119. Urteil 368 March 8. Dept concurs recommendation last paragraph ref nel but since circumstances may arise making desirable transmission occasional coded message urgent nature behalf your consular colleagues Dept prefers not instruct but leave matter your discretion.  

ACHESON

296.90B/3-1949: Telegram

The Consul General at Tientsin (Smyth) to the Secretary of State

TIENTSIN, March 19, 1949—1 p.m.  
[Received March 21—5:05 a.m.]

144. Methodist and American Board Missions report that during past few weeks Communist agents have been active in their schools. In Methodist school 5 Communist girls attend daily and have private talks with students; school classes now begin and end with Communist songs of anti-foreign nature; students formerly attentive and friendly now growing inattentive and somewhat sullen. American Board reports its school being influenced by Communist propaganda and American teachers not welcomed as before. Students' energies and interest being focused on Communist meetings and away from studies. Communists paying particular attention to brighter students with leadership qualities. Both missions report evangelical work in Tientsin not directly interfered with so far, but their Chinese pastors who have recently made inspection trips from Tientsin to small mission stations in countryside report a falling off in mission activity due to Communist propaganda and actions, though apparently no direct hostile acts. American Board representative reports that Communist leaders in poorer section of Tientsin where his mission located are of inferior education and status and therefore more bigoted and ignorant in the denunciation of "imperialism" and "colonialism"; their

43 In telegram No. 889, May 16, noon, the Consul General informed the Department that he had informed the British Consulate that British code messages would be accepted in case of emergency (125.7146/5-1649).
bitterness has result of making their audience more apprehensive of contacts with his mission.

Both missions are of opinion, from presently unfolding pattern, that prospects for mission work under Communists are not bright.

SMYTH

893.741/3-1949: Telegram

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

PEIPING, March 19, 1949.
[Received March 19—3:26 a.m.]

437. Following regulations published in Peiping Chieh Tang Pao March 17 covering telegraphic and telephonic communications with places outside liberated area effective March 16:

"Article 1. For convenience of people and merchants, present measures are especially enacted.

Article 2. Telegraph communications as mentioned in present measures include telegraph and telephone messages.

Article 3. Places to which telegraph and telephone communications are open will be announced by North China Telegraph and Telephone Administration in form of public proclamation.

Article 4. Both cablegrams and airgrams shall be handled by telegraph and telephone administration. In case it is necessary to establish exclusive radio station for maintaining connections between sea and land, between land and air, application for permission to establish it may be made and radio station shall be under control of telegraph and telephone bureau in locality concerned.

Article 5. In sending telegrams and making telephone calls, following provisions shall not be violated:

a. Sending of telegrams shall be limited to plain language.

b. Telephone calls shall be limited to use ordinary language, and use of secret language and transmission of telegraph code numbers not permitted.

c. In sending telegrams and making telephone calls, state secrets shall not be divulged.

d. Ships radio stations are required to stop telegraph and telephone communications after ships enter into harbor and anchorage, and radio stations in airplanes are required to suspend telegraph and telephone communications after landing on airfield.

Article 6. In case provisions of any of paragraphs of article 5 violated, Telegraph and Telephone Bureau concerned may refuse to accept, or refuse to transmit, his telegram or stop his telephone calls, and person shall be punished according to circumstances of his violation.

Article 7. Telegraph and telephone charges shall be paid by telegram sender and telephone caller respectively. System of pre-payment of charges for reply telegrams is temporarily suspended.
Article 8. Present measures shall become effective on day their promulgation.

Sent Department; repeated Nanking 279, Canton 22, Shanghai 308.

CLUBB

125.7146/3-1949: Telegram

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

PEIPING, March 19, 1949—5 p. m.
[Received March 20—12:46 a. m.]

441. ReContel 437, March 19. Belgian Consul states he received call today from representatives Military Control Commission who checked passports and whether Consul possessed arms or radio (whether transmitting station or receiver unindicated by interpreter). Reported, but still unconfirmed, British Consul also visited.

That fact and new regulations particularly would seem indicate move on this station may be near.

In view provision regulations that application be made for commercial radio stations, would Department consider it advisable this office take cognizance those regulations (added to those February 2) and make move obtain formal permission operate station as “Consulate General”? Communist approval, of course, unlikely. Alternative would be await move from Communist side. Our position would be stronger if “recognized”. Propose as partial cover in any event ask interview responsible official early date to discuss “matters touching upon Consulate General itself” but should appreciate early instructions whether Department would approve such application for permission if it seems advisable to this office.

Sent Department; repeated Nanking, Shanghai.

CLUBB

125.7146/3-2049: Telegram

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

PEIPING, March 20, 1949—1 p. m.
[Received March 20.]

444. ReContel 441, March 19.** Representative Military Control Commission last evening called consular compound and questioned gateman re various matters pertaining to Consulate including radio. In accord standing instructions, gateman replied uninformed, suggested officer should visit during office hours. Latter stated he would return 0900 Monday.

**Not printed.
British Consular [Consul] reports still no visit this [his] office.
Sent Department, repeated Nanking and Shanghai.

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123.7146/3-2149 : Telegram

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

PEIPING, March 21, 1949—3 p.m.
[Received March 21—6:35 a.m.]

450. ReContel 444, March 20. Received scheduled visit today from “inspector” Peiping-Tientsin garrison headquarters who desired be provided March 23 with following information: List US and alien personnel including family members Americans with basic statistical information, whether Consulate has radio station, all list official and private arms.

This information being prepared for him as requested.

Inspector made no demands and gave no indication re radio station. When he returns, am considering asking whether registration station required and if so what procedure should be followed. Note, however, he obviously only minor official.

Clubb

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121.67/3-2149 : Telegram

The Secretary of State to the Consul General at Peiping (Clubb) 45

WASHINGTON, March 21, 1949—3 p.m.

140. Urtel unnumbered [129] March 6 economic conditions since Jan. 15. 46 For action Tientsin Shanghai, would ConGen consider feasible attempt send courier commercial vessels Shanghai-Taku Bar under present conditions. Is pouch exchange Taku Bar or alternate procedure possible. Dept anxious reestablish direct communications. Your opinion requested necessity sending two couriers for security.

Acheson

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125.7146/3-2349 : Telegram

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

PEIPING, March 23, 1949—noon.
[Received March 23—1:58 a.m.]

462. ReContel 444, March 21. Requested information was handed inspector 1100 hours today under cover unaddressed memo signed by

45 Repeated to the Consul General at Tientsin as telegram No. 60.
46 Not printed.
me as Consul General. As regards radio station, it was confirmed Consulate General possessed one "which was of course established according to a pertinent agreement".

Sent Department, repeated Nanking, Shanghai and Canton.

CLUBB

125.3376/8-2349: Telegram
The Consul General at Tientsin (Smyth) to the Secretary of State

TIENTSIN, March 23, 1949—4 p. m.
[Received March 25—6:47 a. m.]

160. Inquiry made today of local postal administration by Vice Consul Jenkins regarding nondelivery of mail for Consular personnel which arrived Tientsin about 1 month ago. He was told delay occasioned by censorship with view of intercepting any "reactionary" communication; censorship corps slow in being formed, but promised that all mail not inimical to interests local government would be delivered. He was told that fact mail addressed to Consulate was irrelevant; however, we believe this probably causes delay because of censorship; mail addressed to homes may possibly escape this procedure.

In our telegram 147, March 19, we mentioned apparent nontampering with mail between Tientsin and Peiping. Not known whether this will continue to be the case.

Smyth

893.741/3-1949: Telegram
The Secretary of State to the Consul General at Peiping (Chubb)  

WASHINGTON, March 23, 1949—7 p. m.

151. Urteil 441 Mar 19. Dept notes Mar 17 reg[ulation]s (ur 437 Mar 19) provide for establishment exclusive radio stations only for sea-land and air-land communications, such stations under control Commie Tel and Tel Bureau and transmission restricted plain language. In view these circumstances Dept of opinion unwise now seek formal permission basis these regs operate station as "Consulate General" and believes your proposed interview responsible official discuss matter better course. However view ur familiarity changing local circumstances Dept leaves final decision ur discretion.

ACHESON

47 Not found in Department of State files.
48 Repeated to the Ambassador in China and to the Consul General at Shanghai as telegrams Nos. 385 and 527, respectively.
The Consul General at Peiping (Clubb) to the Secretary of State

PEIPING, March 24, 1949—5 p.m.
[Received March 24—7:16 a.m.]

475. Re Contel 462, March 23. It is of course now even probable that there will be developments within next few days affecting Peiping radio station. Therefore request prior authorization present at my discretion to Commie authorities Peiping, in best manner possible, position re Consular offices located Commie areas along lines indicated Contel 415, March 15. As indicated Consulate’s reference telegram, believe this would be natural first step and such action would not prejudice other than favorably any other action US Govt might later undertake. I should propose inform Consular colleagues, for coordination our actions where possible for mutual support.

Approach would be based on assumption contained final sentence Embtel 90, that it should be made clear to Commies it is advantageous have good relations with USA (and in even greater degree than they get advantage from USSR) and disadvantageous otherwise. This CCP realization would be entering wedge for Chinese type of Titoism.

Re Contel 456, March 22, propose take up early date matter Deptel 60, February 3.

Note that character Commie action re Peiping radio will of course be interesting indication Commie basic attitude re Consulates at this stage.

Chinese source informed me March 22 it was reported Commies presently negotiating with USSR for gasoline but that progress negotiations hampered by certain “conditions” set forth by Soviets as prerequisite. Nature conditions unknown.

Repeated Nanking, Canton, Shanghai, Hong Kong, Tientsin.

CLUBB

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

WASHINGTON, March 23, 1949—6 p.m.

162. B–3 report from Shanghai reed via controlled American source states Commies Peiping suspect AmConGen of harboring Kmt “war
CONSULATES IN OCCUPIED AREAS

criminals". Source of opinion report may indicate possible pretext for increased restrictions on ConGen.

Acheson

121.67/3-2949: Telegram

The Consul General at Tientsin (Smyth) to the Secretary of State

TIENTSIN, March 29, 1949—11 a.m.
[Received March 31—5:10 a.m.]

180. Deptel 60, March 21.54 received March 26. On March 28 ConGen informally approached official Foreign Affairs section Tientsin Military Control Committee regarding possibility of ConGen exchange mail with courier at Taku Bar. Official stated that under present condition of nonrecognition Consulates, such special privileges as courier facilities would be in contravention present Committee policy. He suggested use ordinary mail. We had previously discussed with this official questions of receipt by ConGen of only small part of mail since it reasonable assume had been addressed to us and he had replied this matter concerned postal authorities and was one in which he could not intervene. He restated on March 28 he in no position to expedite our receipt mail through regular postal channels.

Attitude authorities precludes resumption of any type courier service at present.

Smyth

125.7146/4-149: Telegram

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

PEIPING, April 1, 1949.
[Received April 2—1:54 a.m.]

530. April 1, yesterday submitted to Foreign Nationals Affairs Office Peiping following application:

"Acting under instructions from the United States Government, I would request a meeting to discuss with appropriate high local authority questions pertaining to the American Consulate General located at Peiping.

"It is noted that unusual difficulties have developed as respects the performance by the American Consular offices in Peiping, Tientsin and Mukden of their official functions.

"It is earnestly hoped that the Chinese Communist authorities will promptly take appropriate steps to the end that American Consular establishments in the areas under their control shall be afforded normal facilities for carrying on their normal functions, those facilities

54 Same as telegram No. 140 to Peiping, p. 1072.
to include, as basic, the usual contacts with the local authorities in their consular districts, the postal and commercial telegraph facilities regularly accorded consular establishments for confidential communication with their own governments, banking channels for the transmittal of official funds, and facilities for official travel.

"It is emphasized that the United States Government is assured, on the basis of international law and practice, that the functioning of consular officials involves no question of legal recognition of governments. The Chinese Communist authorities will appreciate that the consular function is one with recognition and general acceptance in the international law and practice as having to do with promotion of general international trade and intercourse, but as being without reference to the question of recognition between states.

"Because of the circumstance that 2 months have already elapsed since the takeover by the Communist side of the administration of Peiping, but the position of the aforementioned consular offices in relationship to the local authorities remains unsettled, it would be much appreciated if I could obtain an early interview with appropriate high local authority for a discussion of this matter in detail, to enable me to report appropriately to my government."

Sent Nanking 381, Canton 87, Shanghai 371, Hong Kong. By mail to Tientsin.

CLUBB

893.504/4-1349: Telegram

The Consul General at Tientsin (Smyth) to the Secretary of State

TIENTSIN, April 13, 1949—noon.  
[Received April 15—4:22 a.m.]

238. Since Communist occupation Tientsin 3 months ago foreign companies have had considerable difficulties with labor. Communist authorities have consistently taken side of labor. American firms which have had most trouble are Texas and Karagheusian although nearly all have had some labor trouble.

White, local manager Texaco, in letter dated April 7 addressed to Bieling, Texas manager Shanghai, described Texas labor troubles here. Letter sent by ordinary mail to Shanghai. I suggest ConGen Shanghai obtain copy that letter from Bieling and send copies to Department. If letter does not arrive Shanghai, please inform us and we will summarize.

In dealing with labor troubles of foreign firms, Communist authorities willing to mediate but their decisions very biased in favor of labor. If firm not willing accept decision, Communist authorities then say firm at liberty to settle direct with laborers. As this means firm at mercy of laborers, without police protection, result is firms accept mediation, however unreasonable. Karagheusian has had particularly difficult time.
CONSULATES IN OCCUPIED AREAS

Number of foreigners, including a few Americans, have been haled into People's Court on labor and other matters. Some decisions fair, but generally biased in favor Chinese. Report on People's Court will be telegraphed shortly.

Sent Dept; repeated Nanking as 154, Shanghai as 159 and Peiping as 101.

Smyth

702.0093/4-1449: Telegram

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

Peiping, April 14, 1949.

[Received April 14—3:16 a. m.]

611. ReContel 530, April 1. The following note was addressed under date April 12 jointly by French, American, Belgian, Italian, Dutch, British Consuls and Diplomatic Representatives Peiping to Peiping Mayor Yeh Chien-ying:

"We have honor invite your attention to circumstance undoubtedly already known to you that we severally represent in Peiping our respective Governments in capacity Consular Officers. We have during 2 months since occupation this town by Chinese Communist Army been without those usual contacts with local authorities which would make it possible for us to take up direct with those authorities outstanding official matters of importance and our several attempts to establish such contacts through medium of Aliens Affairs Office have been fruitless.

"We therefore send this joint communication directly to you as the responsible local official to whom we should ordinarily address ourselves.

"Although statutes [status of?] Consular office would of course be affected by an international war in which its own country and the country of indication were opposing belligerents, both in international law and practice Consular offices may and usually do continue to perform their regular functions during periods either civil war or revolution. You will be aware that this principle can be supported by ample precedents adduced from records history both in China and many other countries of world. Particularly in view of early public announcements from Chinese Communist side to effect that foreign persons and foreign enterprises in areas coming under Communist control would receive full measure of protection and that they could and should carry on as usual, many of our nationals remained behind in north China to pursue their ordinary vocations. It is understood that the Chinese Communist authorities are not opposed in principle to foreign contacts, whether social or commercial, but your attention is called to circumstance that in practice in Peiping there have developed to date unusual difficulties for both foreign enterprises and foreign officials. The two difficulties are interrelated."
"Functions Consular officers are part of whole complex of social and commercial relationships which comprehends international travel facilities, business contacts, banking and foreign exchange, international shipping and shipping documents, passports and visas, protection of foreign lives and property, etc. Foreign businessmen and others interested in various types of endeavor in Communist-controlled areas naturally expect receive usual services assistance and advice their representative in area; those representatives are present in north China but to date there are certain facilities which they still lack for full performance of their legitimate functions. Communist authorities in Peiping have, it is true, set up Alien Affairs Office for express purpose handling problems foreign nationals but that office itself states that it is not authorized deal with official matters which might be presented to it by Consular officers. It is to be noted moreover that such offices naturally cannot take place of foreign nationals' own Consular officials, cannot (as simple examples) issue passports to those foreign nationals, give visas for entry foreign countries, assist in connection with trade and banking international character or report trade opportunities to prospective foreign merchants residing abroad.

"Certain public statements and promulgation foreign trade regulations indicated desire to promote international commerce with north China. Experience shown that international intercourse is generally facilitated where local representatives of parties concerned are in position meet together on normal basis. It may perhaps be felt that inasmuch as local Consulates still are in position have contacts with their own nationals and issue passports, visas and shipping documents where required such arrangement suffice meet needs of situation. Such, however, is not case for Consular establishments generally are accorded certain additional facilities for carrying on their normal functions.

"The main facilities which we now lack are primarily those usual contacts with local authorities which may be required for the performance of our duties and also postal and commercial telegraphic facilities for the confidential communication of the Consular officials with our own Governments, banking facilities for handling official funds and facilities for official travel within our Consular districts. At present there exist certain shortcomings in these several respects. It is in an effort to effect an amelioration of this situation that we now jointly address ourselves to you in regard to the several matters in point. Having reference to what has already been said above regarding legal position of Consular offices, it is noted that only explanation which has been received from local administrative organs for refusing to deal with Peiping Consular establishments in normal way is that Chinese Communist side is without diplomatic relations. We would emphasize at this point that we are assured that Consular function by international law and practice while having to do with such international matters as promotion of trade and intercourse and with such affairs of mutual interest as assistance and protection of nationals residing abroad is quite without reference to question of formal recognition between states which matter is subject for action of national governments.

"It would be much appreciated if your office would take appropriate action in respect to the subject matter of this letter either to end that needed adjustments be made or give us severally or jointly an early opportunity to discuss this whole matter in order that usual social and
commercial interchanges which commonly take place between friendly peoples shall thus be facilitated.

Please accept, Sir, assurances of our high consideration."

Sent Department, repeated Nanking 381, Canton 50, Shanghai 413, Tientsin by mail.

Clubb

125.7148/4-1549 : Telegram

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

PEIPING, April 15, 1949—4 p. m.
[Received April 15—6:24 a. m.]

625. Deptel 162, March 28. On night April 13-14 residence USIS director’s assistant Chang Tung and other USIS employee Wang Jiuhui was visited by party comprising 2 police, 1 soldier, 7 Communist Party workers. Party was met at door by Wang who, after identifying himself, was told return to quarters and remain there, that matter did not concern him. Quarters Chang thoroughly searched and Chang himself taken away at 2 in morning. Three guards were stationed over residence yesterday and phone inquiries made by USIS when employees failed appear elicited information from unidentified persons Wang was sick and Chang had been caused depart Peiping suddenly on business. Messenger check however disclosed presence 3 guards at gate and showed general nature situation.

Wang returned to work this morning, stated Chang still unreturned but Chang’s wife remaining on premises. Guards now withdrawn.

Wang reports he was told by Party member “case very important” without indication why.

Chang was formerly employed by OWI and went from OWI service directly into USIS.

Information obtained from Communist seeking information through alien governmental employee indicated Communists suspicious of Consulate Japanese transcasts [translator] Sakimura, considering him “spy”.

Same source indicated Communists interested in suspected radio transmittal by Consulate of messages for other Peiping Consulates.

Although doubt there could be discovered slightest evidence to support charge of “harboring Kmt war criminals”, that Communists would be able turn up employees with BIS connections of course possible.

Repeated Nanking 389, OffEmb Canton 54, Shanghai 422.

Clubb

Office of War Information.
702.0093/4–1849: Telegram

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

PEIPING, April 18, 1949—5 p.m.
[Received April 18—6:38 a.m.]

646. ReContel 611, April 18[14]. English and Chinese versions of Consuls’ note to mayor, dispatched by express mail April 18, both returned French ConGen (first signator) by messenger today, without comment. Consul meeting tomorrow.

Note significance current peace talks might possibly incidentally bear for position consular offices, given particularly peace settlement of sorts. Note also that Communist side probably desires force de jure recognition of its regime prior to permitting regularization position Consuls, and would use its “nonrecognition” policy as lever for that purpose if possible. Either continuation civil war or Communist peace “in Peiping pattern” would presumably [be?] alike soon after [in] bringing new developments for consular offices this area.

Sent Department 646, passed Nanking 402, OffEmb Canton 61, Shanghai 438.

Clubb

702.0093/4–2149: Telegram

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

PEIPING, April 21, 1949—7 p.m.
[Received April 22—1:18 a.m.]

658. [To Nanking:] April 19, 3 p.m. ReContel 646, April 18.58 Consulate today decided against move now considering it probably be fruitless. Significance US manner Communist return Consulate’s note unclear but consensus opinion present peace negotiations if bear fruit might affect Consulate’s position. One official remarked reliable report that senior Yenching professor who advising Communist foreign affairs proposed ‘Consulates’ function Communist areas essentially unnecessary, matters handled as in Soviet with trade channelized through government organs. If argue that acceptance this doctrine disregards presence in China consider[able] foreign colony certain centers, it might be deduced corollary Communist Prop [sic] situation envisages ultimate reduction foreign colony to zero.

Note exit permits granted by Communists with speed, entry permits granted only isolated instances. It must be concluded strict adherence present line would be one natural feature of continued residence of Communist China in Soviet satellite camp.

58 See also telegram No. 654, April 19, 11 a.m., from the Consul General at Peiping, p. 963.
Considered same meeting: 1—Communists perused communication in detail (it was returned in new cover) and possibly gave it serious consideration on high levels; 2—Formal statement or move re Consulates is expected near future; 3—Possibly with matter brought attention Communist senior authorities adjustment in practice some of points brought to Communist attention expected.

Sent Nanking 410, repeated Department Canton 65, Shanghai 453.

CLUBB

125.7146/5-349: Telegram

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

PEIPING, May 3, 1949—3 p. m.
[Received May 3—2:45 p. m.]

752. There have been no appreciable changes in respect to position Consulates Peiping since return joint note (reContel 410, April 1957). Consulates still have guards posted at gates. This office has experienced trouble with such guards only on two or three occasions when either guards had just been changed or some local misunderstanding caused temporary tightening up, but has had better treatment in this regard than Italians or British.

Presence guards over Consulate General naturally intimidates Chinese visitors and probably keeps number of them away.

This Consulate General April 24 received request from two PLA officers personnel for permission install air raid warning signal on wireless mast. Informed them orally that Consulate General had previously refused similar request from Kmt forces on grounds USA maintains neutral position respect Chinese civil war and that our position was same at present. I asked that any formal request along these lines should be presented in official communication. Personnel concerned indicated they would consider matter and departed and have not returned.

Consulate still has operating permit covered one motor car. No such permits provided either for DALS, Assistant Military Attaché or AstALUSNA. Other Consulate likewise limited one operating permit. Heretofore all requests by Consulate personnel for permits enable them pass through city gates into suburbs have been refused but Vice Consul Farrior has now received permit enabling him make 1-day trip Tsinghua University next weekend. Six foreign PMAC personnel have just received passes valid 1 May for travel Yenching, Tsinghua, Summer Palace.

Persistent anti-American campaign has had as one result stoning of foreigners by Chinese (usually children). To date there have been...
thus struck 6 members American official family. Some incidents have been reported to police or gate guards, AP [but?] authorities give appearance of being concerned with matter. Plan send note to Mayor on subject near future.

CLUBB

125.9376/5-749: Telegram

The Consul General at Tientsin (Smyth) to the Secretary of State

TIENTSIN, May 7, 1949—noon.
[Received May 9—6:54 a.m.]

292. Since Communist take-over Consul General has been guided by instructions contained in secret telegram from Embassy [(]believed circular telegram January 4 69) to refrain from taking steps which might constitute or be interpreted as recognition regime particularly to refrain from addressing either formal or informal communications to new officials. Consequently we have taken up all matters orally and informally with local officials. Conversely local officials appear to be under similar instructions since written communications addressed to local officials by your Tientsin Consular colleagues have all been returned.

Consul General however notes that Clubb at Peiping is addressing written communications to new officials and signing as American Consul General. If instructions contained in reference telegram have been amended, we would appreciate being informed as we feel that practice of two Consular Offices should be consistent.

Repeated Nanking 183, Peiping 125.

Smyth

125.9376/5-749: Telegram

The Secretary of State to the Consul General at Tientsin (Smyth) 69

WASHINGTON, May 13, 1949—2 p.m.

98. Dept perceives no objection as general rule to Consuls in Commie areas addressing Commie authorities by letter signed either in personal capacity or over official title (urtei 292 May 7 repeated Nanking 183, Peiping 125), but such authorities shld be addressed personally by name without inclusion official titles. However Dept believes that where circumstances permit it preferable communicate by means memoranda (either unsigned, initialed, or signed with or without consular title) delivered appropriate Commie authorities by consular officers.

Acheson

69 Not found in Department of State files.
69 Repeated to the Consul General at Peiping as No. 278.
893.76/5-1649 : Telegram
The Consul General at Tientsin (Smyth) to the Secretary of State

TIENTSIN, May 16, 1949—5 p. m.
[Received May 19—9:45 a. m.]

321. Burdett, British Consul General, tells me confidentially during past week Communists shown great interest opening radio with Hong Kong. Communists forced But[terfield and] Swire vessel in port last week to send number of commercial messages to Hong Kong Government radio but not known whether received or forwarded. Burdett reported details to his Embassy in code via our Peiping radio and matter probably discussed with our Embassy.

Burdett says few days ago, go-betweens for Communists asked him send message to Hong Kong Government urging it to agree maintain radio contact with Communist radio here. Burdett replied must take up with his Embassy and under present rules could only send in plain. Communists proposed he send message to Embassy in Communist military code which he agreed to do. I believe he was most unwise in agreeing send message in Communist code and feel he should have raised point sending in his code.

Question Communists communicating with outside via Hong Kong involves International Telecommunications Union to which British adhere. Suggest matter be discussed with British Government.

Recommend effort be made to establish more united front with British and other governments than heretofore case. In appointed bank matter (see other telegrams) 2 British, 1 Belgian banks accepted appointments although American and French banks not appointed. Suggest before Shanghai falls some common action be decided on before question arises. Communists obviously trying play off British against us and seem to have succeeded somewhat.

Sent Department 321; repeated Nanking 202; Shanghai 224; Peiping 140 and Hong Kong.

Smyth

125.8871/6-1749 : Telegram
The Consul General at Tientsin (Smyth) to the Secretary of State

TIENTSIN, May 17, 1949—4 a.m.
[Received May 19—9:39 a.m.]

329. Reurtel 320, May 16. If Communists endeavor take over any of our 4 ex-German houses or ex-Jap consular property acquired under

a Not printed.
552-968—78—69
bilateral agreement. I feel we should react with some positive action. US has suffered very serious loss of prestige through Communist confinement our Consulate General staff Mukden [by] Communists which fact is generally known in Communist areas. Throwing us out of houses or taking over ex-Jap property here would involve further aid striking loss of prestige and would make position of Consulate General staff here difficult if not impossible. I believe we should exercise patience with Communists but feel this policy should have limitations.

I recommend that if Communists show intention of taking over any of our houses or ex-Jap property to all of which we have full title, I be authorized to inform Communist authorities that such action would result in prompt closing of our Consulate General office and withdrawal of staff; it should be pointed out to Communists that thus far US Government has placed no restrictions on US trade with North China but that Communist action in question would place serious obstacles in way of such trade through absence of Consulate General to issue consular invoices; it should also be intimated that any Communist effort in such case to channel trade between Tientsin and US through Hong Kong would not succeed. In view of Communist desire for trade with US it must be made clear to Communists that action in question on their part would result in stoppage of such trade.

We hope Communists will not raise this question but we feel some course of action should be decided on previously in case they do.

Sent Department 329, repeated Nanking 206, Shanghai 228, Peiping 143.

Smyth

125.7146/6-1849: Telegram

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

Peiping, May 18, 1949—5 p. m.
[Received May 19—8:48 a. m.]

896. ReDeptel 278, May 13. Respectfully invite attention Department to practical objections to rule that Communist authorities should be addressed by letter if at all only personally by name without inclusion official titles; (1) Letters exchanged between American and Communist side under present conditions where personal contacts absent would lose effectiveness where effectiveness already lacking in large degree in so far as title omitted by either side, (2) Communist organs Peiping have consistently emphasized necessity use Chinese at least as accompanying translation for written matters and elimination from

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82 Agreement between the United States and China for the sale of certain surplus war property, signed at Shanghai, August 30, 1946; Department of State, Office of the Foreign Liquidation Commissioner, Report to Congress on Foreign Surplus Disposal, October 1946, pp. 40-45.
83 Same as telegram No. 98 to Tientsin, p. 1082.
text of all reference to official position or title would in Chinese letter give impression either disesteem or calculated rudeness and (3) that approach would be particularly incongruous where efforts consular officials recent months have been to get Communists acquiesce in Consuls' acting in full official capacity. Addressing either civil or military, along lines restetl would probably prove less effective even than would otherwise be case.

Disadvantages which would follow adoption indicated procedure seem to promise no commensurate return or advantage. Noting Department indication that it is considered preferable communicate by means memo delivered appropriate Communist authorities, would note that experience Peiping has been that appropriate Communist authorities actually unapproachable. Effective delivery other than communication in letter form for present infeasible. Memo it is true can be given Aliens Affairs Office which has however proved only ineffective and unhelpful in respect to all matters concerning official functions consular officers.

For effective representations about matters such as position Embassy, Nanking (Contel 718, April 27,\textsuperscript{e}) and Consulate, Mukden (Contel 735, April 30,\textsuperscript{e}) representation should naturally be made either to highest Communist military level or highest level local authorities. Note American legal position during period Jap occupation North China was that consular officers might properly have contacts and negotiate with local authorities for performance their legitimate functions. By international law use of official titles of local or military officials would not in any event suggest recognition. Note further that with expanding control China it is desirable set up now system which will most effectively serve purpose providing communications channel with Communists for months ahead.

Believe adoption of policy handling matters on local de facto basis would be most suitable to both practical and legal requirements.

Sent Department; repeated Nanking 553, OffEmb Canton 124.

CLUBB

123,0093/5-2749: Telegram

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

WASHINGTON, May 27, 1949—3 p.m.

330. Ur [Our] 278 May 13,\textsuperscript{e} and 299 May 17,\textsuperscript{e} Dept desires leave greatest latitude possible consuls in Commie areas China exercise their

\textsuperscript{e} Not printed.
\textsuperscript{f} Ante, p. 957.
\textsuperscript{g} Same as telegram No. 98 to Tientsin, p. 1082.
\textsuperscript{h} Ante, p. 957.
judgment, discretion, dealing with new and unforeseeable circumstances which arise. Dept concurs consular officers may properly have contacts and negotiate with local authorities for performance their legitimate functions and believes it desirable insofar as permitted by local conditions that consular officers addressing written communications such authorities sign communications over their consular title. With respect to addressing such communications Dept believes use of (1) informal memoranda delivered in person to Alien Affairs Office or other appropriate auths (2) letters addressed such auths by name without title or (3) in cases where office addressed existed prior Commie takeover letters addressed to office without name of Commie official exercising duties of office offer adequate channels communication. For you info foregoing means communication used by consuls communicating with “Manchukuo” authorities. Dept notes no assurances exist that letters addressed Commie auths by name and title any more likely reach official so addressed and no indication this method address would be more productive of desired action than one of methods outlined above. Dept believes with Nanking (Embtel 1102 May 24* rptd. Peiping 179) important consideration is maintenance channel communications and has suggested forms of address above as possible means communication which contain no suggestion of recognition. However, recognition is more matter of intent than form and Dept has no desire limit Cons to use forms suggested if in using other forms it made clear no recognition intended.

WEBB

893.70/6-249: Telegram

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

NANKING, June 2, 1949—11 a.m.
[Received June 2—8:35 a.m.]

1172. We asked British Embassy this morning present status Commie efforts establish radio communication between Tientsin and Hong Kong (see Tientsin’s 321, May 19 [26], to Department, repeated Nanking 202, Shanghai 224, Peiping 140, Hong Kong unnumbered). British admitted rather shamefacedly that communications were new open between Hong Kong and Tientsin and that no concessions had been extracted therefor. As result of Comrie approach British Consul General [at] Tientsin, local British Embassy recommended to its Foreign Office this occasion be used to ameliorate conditions foreign consuls Tientsin, particularly privilege confidential communications. Subsequently British Embassy began receiving reports of re-establishment of wireless communication between Tientsin and Hong Kong and on
inquiry of governor Hong Kong were informed Cable and Wireless Ltd. had gone ahead without consulting governor and on instruction from home office London to reestablish radio contact with Tientsin on basis Commie request. British Embassy here then promptly queried Foreign Office who admitted somewhat apologetically that official approval had been given without sufficient consideration of all aspects and that now it appeared too late to revoke agreement. Local British Embassy agreed that once communications established they should be permitted to continue, though deploving lost opportunity to extract concessions from Commies, particularly for our Consulates in north.

It may be of interest to ascertain what arrangements C and W has made for payment and how Tientsin hookup fits into international telegraphic arrangements. Hong Kong might try sending coded message to Tientsin via this channel as experiment. If accepted and delivered, might be useful channel for Department to communicate with Tientsin in code, one way traffic. It is assumed Tientsin can use such outgoing facilities for clear language messages at least. We agree with last paragraph Tientsin's telegram under reference and suggest Department may wish to raise with British in energetic manner this additional break of common front as one more evidence of Commies extracting advantages piecemeal from west without giving anything in return.

Sent Department 1172, Peiping 189, Hong Kong 30. Department pass Tientsin 36.

STUART

693.00H/6-449: Telegram

The Consul General at Tientsin (Smyth) to the Secretary of State

TIENTSIN, June 4, 1949—11 a.m.

[Received June 6—11 a.m.]

385. Number Communist civil officials from Tientsin proceeded Shanghai to be ready on takeover to give benefit experience gained here. Tientsin has been guinea pig for Communists in foreign trade, business, industry and industrial labor, shipping and communications, banking, commercial taxation and many other matters. Communists came here straight from bushes with undeveloped policies and little experience except in rural areas. Their policies and practices here were developed slowly, by trial and error. This has been tough on Tientsin but should make things smoother in many ways in Shanghai. Speed with which Communists restoring shipping and communications Shanghai one example.

As matter interest, we understand Tientsin also guinea pig re consular radio. Communists apparently expected our consular radio to be
used to their disadvantage through transmission what they considered "bad reports". However, reports in plain language over consular radio to Department (until radio closed few days after fall Tientsin), and released by Department to press and broadcasters, surprised and favorably impressed Communists, particularly ConGen report that conduct Communist occupation troops "exemplary"; this radio bulletin which was broadcast, commented on several times by Communist official mentioned our tel 74, January 16.68 Our request continue operation to Foreign Affairs official (our tel 104, January 21), referred to higher authorities, not acted on before brief deadline set by occupying military authorities expired. Understand our compliance with Communist regulations re radio (which we considered best course action in circumstances), plus advantages to them from favorable reports on conduct of Communist troops, important factor in later Communist decision to allow Peiping radio to operate. Fact that Communist subsequent takeover Peiping peaceful, not by hard fighting as at Tientsin, also conducive to more considered action.

Unfortunately, once our radio closed, Communists could not, without loss face, allow resumption.

Smyth

119.2/6-1149: Telegram

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

PEIPING, June 11, 1949—11 a.m.
[Received June 11—3:44 a.m.]

990. Betel 161, June 1, from Shanghai 70 asking report on tactics used retain radio. Procedure involved several steps. Shortly after issuance order February 2 by Peiping-Tientsin Defense Hqrs treating inter alia matter radio stations' operation, this office had Chinese employee telephone to ask them receive me (as Consul General) "on official business". Hqrs refused on 2 separate occasions without asking nature of business.

On February 9 in discussion with former member Foreign Office known be in contact with Communists, I brought up question Consular radio, said it functioned under terms pertinent agreement, was used for official purposes only, that I would of course not be in position deliver over Govt property but if local authorities desired discuss matter with me in any of its aspects should be glad do so (Contel 205, February 10 to Dept). Official in question in due course reported back Communists (understand be mayor's office) had said informally I could

68 Not printed.
70 Not found in Department of State files.
use radio for time being (Contel 216, February 11). I made no sub-
sequent approach Defense Hqrs.

New regulations were promulgated March 16 governing tele-
communications and giving procedure for established radio stations (Con-
tel 437, March 19).

Received visit from representatives Defense Hqrs only March 21
when they requested that I supply certain information, including
whether Consulate possessed "radio station". March 23, I supplied
written statement in affirmative stating incidentally, however, that
station "was of course established according to a pertinent agreement"
(Contel 462, March 23 to Dept). Despite alarms and excursions, no
further approach has been made Consulate in this regard.

In Contel 392, March 11,71 I suggested to Dept possibility Com-
munists permitted continued operation because Soviets might likewise
be operating station. Soviet operations still unconfirmed.

Recommend as basic approach this and similar questions that it
be assumed Communists do not intend application any promulgated
regulations, or ordinances to Consulates unless it is clearly so stipu-
lated or indicated or there is formal communication or visit conveying
that information. Reurtel final paragraph, this Consulate's procedure
in similar circumstances therefore would be first to check if possible
through reliable intermediary to determine whether Communists inter-
pret provisions regulations as applicable official US Govt radio,
otherwise send them official letter regarding matter or await their
approach. It may be assumed in first instance they are aware of
existence Consulate radio. It may be assumed further that if they
desire take action against that radio they will probably proceed to
Consulate to take up matter direct. Stipulation in cited regulations
possibly refers simply to Chinese Govt and private radio stations and
not to foreign govt stations: For one thing, organs foreign govts Com-
munist China are currently "unrecognized".

For further background reference, express belief Communists are
desirous avoiding "incidents" or "cases" involving foreign consulates,
especially at present juncture.

Suggest Dept repeat Contel 203, February 10 to Shanghai for
reference.

Sent Dept 990, repeated Shanghai 659, Nanking 663.

CLUBB

71 Not printed.
119.2/6—1549: Telegram

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

NANKING, June 15, 1949—2 p. m.  
[Received June 15—8:04 a. m.]

1289. Reference Peiping telegram 990 to Department June 11, Embassy would appreciate résumé origin China network, agreements with Nationalist Government, et cetera which Department feels would be valuable in any negotiations with Communists for retention of network.

Sent Department; repeated Shanghai 700, AmEmb Canton 538.

Stuart

893.00B/6—1649: Telegram

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

PEILING, June 16, 1949—6 p. m.  
[Received June 17—10:26 a. m.]

1026. ReContels 970, June 10 and 1021, June 10,\(^{72}\) Wu Yueh-tsun (W. Y. Wu incorrect) and Shen (not Sheng) Ti-lan, Chinese Christians acting by Communist request as liaison between Communist and Christian groups, spoke June 13 at open meeting foreign missionaries. Following report by Armstrong\(^{70}\) who attended.

Majority of speeches devoted orthodox Communist ideology terms such as capitalism doomed, West instigating war, with little relation Christianity in Communist China. Following points interspersed in verbiage:

1. Some Xian schools, hospitals taken over by Communists in Manchuria.

2. Top Communist leaders have moderate policy but lower ranks more radical or inefficient. Wu urged Communists issue general statement reaffirming religious freedom, but Communists countered would also have to issue statement re freedom anti-religious activities. Communists have recently issued order lower ranks respect religious freedom.

3. Xian work must undergo change, since some activities dead, some taken over by non-Xian groups, some need modifications meet present situation. But challenge and opportunity Xian work greater under new order.

4. Catholics in special class, since their orders from Vatican always anti-Communist, anti-Russia, anti-Chinese revolution.

5. Wu quoted explanation chief Peiping Foreign Residents Bureau lack of preferential treatment “good” foreigners; action western governments, especially US, has created real hatred among Chinese

\(^{72}\) Neither printed.

\(^{70}\) Oscar V. Armstrong, language officer.
which will take years to dispel. This hatred reflects on all foreigners. Actually fortunate no anti-foreignism comparable Boxer days.

(6) Possibly less Communist interference evangelism than medicine and education, since latter complete [compete?] Communist activities.

Most missionaries disappointed Wu and Shen, feeling they are unqualified represent Xian groups, but wholly gratified this semi-direct contact possible.

Sent Department 1026; repeated Nanking 705, OffEmb Canton 178, Shanghai 686.

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119.2/6–1749 : Telegram

_The Minister-Counselor of Embassy in China (Clark) to the Secretary of State_

CANTON, June 17, 1949—12 a.m.

[Received 10:33 a.m.]

Cantel 605. Résumé China net[work] origin requested Embtel 538, June 15, repeated Department 1289, Shanghai 700.

Established late 1944 joint OWI—Army project as OWI–PRO net. Army public relations wanted net facilitate coverage China theater by accredited war correspondents whose only outlet to States was Chungking, Kunming commercial facilities. Net delivered correspondents’ stories to points where commercial facilities available. OWI utilized net link its China offices for administration traffic, later added news facilities. Original equipment supplied by Signal Corps, which also authorized frequencies as part its net. First circuit Chengtu, Chungking. Later expanded connect all OWI offices free China.

When war ended, extended cover all major cities where OWI offices established. After OWI merged Department, stations added all consular posts China. All equipment after original installation and all personnel came from OWI resources. Continued operate until early 1946 as part Signal Corps net, in that Signal Corps authorized all frequencies call signs and cleared frequencies, etc., with Chinese Government as integral part its own radio operations China. Same frequencies call signs still in use.

When China theater deactivated, Gen. Marshall arranged Executive Headquarters assume same responsibility when Chinese Government concerned. Nationalist Government after 1946 many times raised question networks operation through Ministry Communications, then Foreign Office, on grounds infringement national sovereignty, commercial facilities available and fact US refused China reciprocal

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74 Office of War Information.

privilege. Matter resolved high level discussions each time, basis view American effort Executive Headquarters and later aid programs that we required special facilities provide speedy communications Embassy and Consulate and commercial facilities inadequate. Marshall-Generalissimo conversation finally required end most pressure on US cease operation.

No formal agreements ever made, and net operation since VJ Day been on flimsy basis noted above.

Sent Nanking 405, repeated Department Cantel 605, Shanghai 345.

CLARK

119.2/6-1549: Telegram

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

WASHINGTON, June 24, 1949—6 p. m.

741. Ur 1289 June 15. Dept files contain no info re China network origin in addition that supplied by Off Emb Canton in tel 405 June 17, rptd Dept Cantel 605.

ACHESON

893.00R/7-749: Telegram

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

PEIPING, July 7, 1949—7 p. m.

[Received July 9—4:32 p. m.]

1138. Noting from Embtel (re Embtel 242, June 29 78) 239, June 24, 79 refusal Alien Affairs Office Nanking concern itself with Colling case, reContel 869, May 21 to Department, 80 take occasion note that representations Alien Affairs Office Peiping re Consulate matters have in practice generally proved fruitless. Barrenness comes naturally from Communist attitude that they "lack diplomatic relations". As suggested Conreftel, Alien Affairs Office appears to be throw back to time when Chinese normally acted in way to humiliate and obstruct foreigners desiring deal with them. Note Barrett 81 report Contel 802, July 7, 82 See also Contel 641, June 9, 83 Note further Mao remark July 1 for need "raising our own (Communist) morale and

78 President Chiang Kai-shek, who retired on January 21.
77 September 2, 1945.
78 Not found in Department of State files.
79 See telegram No. 1368, June 24, 4 p. m., from the Ambassador in China, p. 1180.
80 Not printed.
81 Col. David D. Barrett, Assistant Military Attaché in China.
82 Sent to the Department as telegram No. 1135, not printed.
83 Same as telegram No. 966 from Peiping, p. 963.
taking down arrogance of enemy". In short, there exists good reason consider office in same category as Manchu Li-fan Yuan.  

In meeting yesterday Peiping Consuls generally agreed Alien Affairs Office Peiping largely useless for their purposes. In practice, this office by-passes it insofar as possible in favor direct approach concerned Communist organ such as Bureau Public Safety. Letters addressed municipal government or local military authority may on occasion be returned and none sent by this office has to date been answered but in any event one feels some assurance they are read by competent persons and treatment accorded letters in no respect worse than that received at hands Alien Affairs Office. Note that Tientsin [and] Shanghai Consulates apparently have greater success dealing with Alien Affairs Office; this presumably because their more important relationship commercial matters. Communist practice notably uniform. Peiping experience reported for possible value as reference.

ReContel 802, July 7, note that offensive anti-foreign posters were generally removed from streets shortly before convocation preparatory committee PCC, 86 one report being this due intervention [Tan] Kah-kee 87 pointed fact poster that type still displayed in government office dealing specifically with alien affairs by arrogant flaunting of anti-foreignism is clear indication non-co-operative spirit that office respecting American officials particularly. Believe it might be helpful in any discussion general matter relations with Communists indicate to Communists Nanking, Shanghai and/or Peiping, desirability that there be provided channel for more effective handling problems growing importance and concern both sides than offered by Alien Affairs Office. Adduce in this connection point 3 Shanghai's 2600, July 3 to Department 87 at same time express belief Communists if really desirable possessing effective means deal with local problems concerning foreigners they should be prepared as alternative use more direct, authoritative, therefore effective channel than offered by Demo[cratic]-Leaguers.

Sent Nanking 810, repeated Department 1138, Office of the Embassy Canton 205, Shanghai 768.

[CLUBB]

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

87 Political Consultative Conference.

84 Member of Standing Committee of PCC and member of Commission of Overseas Chinese Affairs.

85 Post, p. 1183.
The Consul General at Peiping (Clubb) to the Secretary of State

Peiping, July 11, 1949.
[Received July 12—5:27 p.m.]

1155. NCNA 88 English language service yesterday announced that according to notification issued that date by Peiping Military Control Committee all foreign residents Peiping were required register with Bureau Public Safety, Peiping People's Government. Registration procedure as laid down same source requires:

1. Presentation visa residential certificate issued prior liberation Peiping and other identification papers for examination.
2. Supply 6 prints passport photo.
3. Complete application forms provided by Bureau Registration to close July 31. Local Americans being circularized.

Sent Department 1155; Nanking 825; OffEmb Canton, Shanghai, Tientsin by mail.

Clubb

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

Peiping, July 14, 1949.
[Received July 14—10:10 a.m.]

1174. ReContel 1155, July 11. Checking of original text regulations July 10 shows requirement is for submission “passport, residential certificate issued before the liberation of Peiping, or other pertinent certifying document” instead of visa, et cetera.

Application form requires in addition information regarding name, nationality, date, place birth, age, sex, passport number, local address; standard of education and special talents, occupation, place of service, family domicile outside Peiping, principal properties outside China, important properties in China, organizations joined, criminal record, possession arms, camera, automobile, radio receiver, occupation in China, time first trip and total years residence China, residence and objective first trip to China, interior parts China resided in and objective, career before coming China, career after trip to China.

Peiping Chieh Fang Pao this date [reports?] after submittal application forms applicants are registered in order and times fixed for interviews.

Repeated Nanking 834, Canton 215, Shanghai 786, to Tientsin by mail.

Clubb

88 New China News Agency (Communist).
The Consul General at Peiping (Clubb) to the Secretary of State

Peiping, July 19, 1949.
[Received July 19—6:17 a.m.]

1200. Following is translation communication Tung No. 11 this date addressed USIS by Peiping MCC * signed by Yeh Chien-ying in capacity director delivered by messenger today:

"It is observed USIS is section organized by American State Department. Since People's Government has no diplomatic or consular relations with USA, therefore USIS office should effective this date cease activities, including printing and distribution news copy, display and presentation books and periodicals, affixing of charts and pictures, showing of motion pictures, giving of musical concerts, together with all other external activities. It is expected there will be immediate observance without infraction." USIS being closed to public immediately.

Sent Department 1200, Nanking 849, OffEmb Canton 225, Shanghai 809. To Tientsin by mail.

CLUBB

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

Canton, July 20, 1949—2 p.m.
[Received July 20—12:42 p.m.]

Cantel 786. Closure Peiping USIE * and anticipated similar action Tientsin (probably already taken but unreported due delays communications) and Nanking leaves us with definite impression Communist action designed force our hand re recognition. May be first move in jockeying for position since we have failed succumb their blandishments. Had expected overtures long before now from at least some of powers. Fact US regarded as leader common front nonrecognition may be direct cause closure order attempt embarrass US Government and force our hand since Communists would consider it extreme loss face if they put in position having make overture to foreign imperialists beyond their oft-repeated statement willing establish diplomatic relations any country withdrawing recognition Nationalists.

For these reasons believe protests re closures unsuccessful and only course left US is to sit back and wait developments, meantime re-

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* Military Control Committee.

* United States Information and Educational Program.
doubling efforts get American facts before Chinese public in Communist areas through stepped up VOA activities.
Sent Department Cantel 786; repeated Nanking 519.

CLARK

125.7146/7-2049: Telegram
The Consul General at Peiping (Clubb) to the Secretary of State

Peiping, July 20, 1949—3 p. m.
[Received July 21—3:14 p. m.]


In view express character order, no practical alternative to immediate cessation for present external activities USIS. Staff will continue for present with work at hand. USIS has been performing important social service Peiping, being only source for certain types academic cultural material. Will discuss matter with some person having contact with Communist side earliest opportunity but believe no useful purpose would be served by making local protest direct to Communist authorities on basis legal points set forth Depreftel. Note that Department release July 18 indicates protest to be made Peiping re Shanghai, Hankow but Depreftel unspecific Peiping action. Please clarify in light present development.

Believe Communists propose use this and possible other measures (1) pressure USA into early de jure recognition after formation new government and concomitant withdrawal support to Nationalist Government and (2) in meantime, cut into American political, economic, social prestige and influences as deeply as possible for joint Sino-Soviet benefit.

Note that Communists might use "logic" adduced in the USIS order to close Consulate, when it might suit their convenience. Slow action re Mukden and reference "external activities" in MCC communication alike seem bear possible implication Communists prepared see such offices kept intact for possible use following hypothetical recognition even though all activities stopped for present.

Believe Peiping USIS employees who have been most loyal and efficient should be given every consideration. Note, however, that being placed on leave with pay status would inevitably consume terminal pay they would otherwise get and that when all leave taken problem

*Voice of America.
*Same as telegram No. 1420 to the Consul General at Shanghai, p. 1234.
*Department of State Bulletin, August 1, 1949, p. 152.
would probably still remain, since early favorable Communist action permitting reopening most unlikely. Staff can be continued on duty status for short period but note here that continuation their services for any considerable period after need therefore has ceased might establish precedent to which they could refer as basis for awkward demand they be continued in employment indefinitely. It might be best cut down to skeleton staff as soon as discussions completed, presumably fruitlessly, with assurances to employees they would be given preference if USIS able reopen. Believe serious consideration should be given matter early date.

British Council and Soviet VOKS reading room evidently unaffected.

This message prepared in consultation Van Putten, propose address any protest Yeh Chien-ying as director MCC.

Please instruct.

Sent Department; repeated Nanking 862, OffEmb Canton 231, Shanghai 814.

CLUBB

893.76/6–249 : Telegram

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

WASHINGTON, July 21, 1949—5 p. m.

865. ConGen Tientsin tel 321, May 16, rptd Nanking 202, Shanghai 224, Peiping 140, Hong Kong unnumbered; Embtel 1172 June 2 rptd Peiping 189, Hong Kong 30, Tientsin 86.

Dept not in position object unilateral action Brit firm in establishing Tientsin–Hong Kong radio communications since Dept has indicated to RCA,®® no objection its negotiating with Commie authorities for North China circuit via Manila. No evidence at present Chi Commie discrimination against RCA.

ACHESON

125.8576/7–2249 : Telegram

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

NANKING, July 22, 1949—4 p. m.

[Received July 22—11:19 a. m.]

1584. Embassy attempted July 21 deliver to Aliens Affairs Office written protest (text contained Embtel 1583, July 22 ®®) on closure USIS offices Shanghai, Peiping, Hankow and Tientsin. After mes-

®® All-Union Society for Cultural Relations with Foreign Countries.
®® Radio Corporation of America.
®® Not printed.
senger had informed higher officials subject of visit was “closure USIS offices”, which Embassy officer required state in advance, junior official came down to waiting room to state his superiors not prepared discuss this question. Asked when they would be prepared discuss it, he was noncommittal. He did, however, read text of protest, but returned it, declining take it to his superiors. We feel further attempts present protest would not be fruitful and might hasten closure Nanking USIS.

Sent Department 1584, repeated Shanghai 886, Embassy Canton 663.

STUART

125.9376/7-2349 : Telegram

The Consul General at Tientsin (Smyth) to the Secretary of State


[Received July 23—5:41 p.m.]

538. Following is translation of text letter dated July 20 received today by USIS here from “Huang Ching, Director Military Control Committee for Tientsin, China People’s Liberation Army.”

“Inasmuch as the United States Information Service is part of the American State Department organization, and inasmuch as the People’s Government has no diplomatic and consular relations with the United States, the United States Information Service shall as of today cease its activities, including the publication and distribution of news service, the exhibition and free distribution of books and newspapers, the circulation and displaying of pictures, the showing of motion pictures, the holding of concerts and any other activities in contact with outside. Compliance is requested.”

In view above, USIS office here closed today.

Sent Department 538, repeated Nanking 301, Shanghai 356, Peiping 225, and OffEmb Canton.

Smyth

125.9376/7-2749 : Telegram

The Consul General at Tientsin (Smyth) to the Secretary of State

TIENTSIN, July 27, 1949—1 p.m.

[Received August 3—11:13 a.m.]

564. In connection recommendations our telegram 562, July 26, following résumé of difficulties imposed this Consulate General by Communists which we feel we should not take without trying retaliate in order impress Communists with fact, although US Government has

97 Vol. IX, p. 952.
so far exercised forbearance, it not willing indefinitely turn other cheek:

1. Nearly half American personnel this office due home leave, but cannot be released until replacements arrive, which blocked by Communist refusal grant entry permits (see Peiping's telegram 1146, July 9 9).

2. Brown's agricultural reporting severely restricted by Communist refusal grant him permit travel Peiping although most other foreigners obtain such permits without undue trouble.

3. Communists close USIS, prevent courier service, tamper with our mail, impose duties on official supplies and personal importations staff on very limited items for which Communists grant import licenses, withhold permission our visit American vessels at Taku Bar on basis we not recognize them, yet continue let us perform services beneficial to them as certification invoices.

Smyth

123.7146/7-2049: Telegram

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

WASHINGTON, July 28, 1949—7 p.m.

498. Implication Dept release July 18 re protest (urteI 1214 July 20) simply that Peiping deliver protest along lines suggested Deptel 450 July 15. While Dept not sanguine results believe unwise action go unchallenged. Protest should embrace Shanghai, Hankow, Tientsin, Peiping, Nanking closure orders.

Dept endorses Canton proposal present status only suspension USIS activities and retain full local USIS staff on duty status. Use opportunity do many internal USIS or consular jobs neglected in past, but without violation terms closure orders.

Acheson

123.7146/7-2949: Telegram

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

PEIPING, July 29, 1949—5 p.m.

[Received August 3—1:16 p.m.]

1272. Re Contel 752, May 3. For purposes record, note that stoning Americans did not recur after day Consulate reference telegram except

9 Not printed.
9 Department of State Bulletin, August 1, 1949, p. 152.
1 Same as telegram No. 1420, July 15, to the Consul General at Shanghai, p. 1234.
2 For information on closure at Shanghai, see telegram No. 2775, July 15, 11 a.m., from the Consul General at Shanghai, p. 1232; for information on closure at Hankow and Nanking, see telegram No. 210, July 15, from the Consul General at Hankow, p. 1122, and telegram No. 1395, July 23, from the Ambassador in China, p. 797.
3 See Contel No. 786, July 20, 2 p.m., from the Minister-Counselor of Embassy in China, p. 1095.

552-963—78—70
for one isolated instance. Cessation presumably reflected official concern at action and no note was sent mayor in view amelioration situation.

CLUBB

125.7146/8-949 : Telegram

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

PEIPING, August 9, 1949—11 a.m.
[Received August 12—1:03 a.m.]

1327. ReDeptel 498, July 28. Letter sent today registered mail Director Peiping MCC, protesting closure indicated USIS offices, asking reopening Peiping office (request limited because of his technically limited authority). Text by despatch. *

Michael Lindsay † told Barrett closure USIS offices resulted [from] Soviet pressure.

Sent Department; repeated Nanking 952, OffEmb Canton 252, Shanghai 872.

CLUBB

125.0093/7-3049 : Circular telegram

The Secretary of State to Certain Diplomatic and Consular Offices in China

WASHINGTON, August 9, 1949—7 p.m.

ReDeptel 498, July 28; Nanking's 1653 and 1657, July 30. Dept has reconsidered question retention full USIE local staff in duty status during suspension USIE activities Commie China. Policy stated Deptel 498, July 28 hereby revised.

Dept feels since USIE activities suspended by Commie auth it would be propitious moment to clear from staffs all posts concerned local employees without creation unusual situations as arose Shanghai connection ex-Navy employees. All posts at which USIE employees stationed therefore instructed give discharge notice to USIE local employees and pay them accrued and current annual leave from USIE local employee salary allotment. However, concur Nanking's recommendation (Embtel 1632, July 27 *) Nanking, Shanghai, Peiping each may retain one local librarian provided no repercussion anticipated by

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* Despatch No. 110, August 10, not printed.
† Australian lecturer and writer.
* * Sent to Canton, Hankow, Nanking, Peiping, Shanghai, and Tientsin.
* * * Telegrams Nos. 1653 and 1657 not printed.
* * For documentation on this subject, see pp. 1155 ff.
* * * Not printed.
which Commie auths may demand retention entire USIE local staff. Dept assumes monitoring distributing bulletin local community can be handled by regular administrative staffs these posts.

While Dept not informed what severance pay may be agreed upon as discussed Nanking’s 1653, July 30, Dept feels since activities ordered stopped by Commie auths no greater payment should be made employees being discharged than made by local govt organizations discharging employees. Dept understands certain local govt employees Shanghai, for instance, given 6 weeks’ severance pay. At any rate Dept feels not more than 2 months’ severance pay shld be granted employees. Dept regards approach outlined Shanghai’s 3077, Aug. 6, a good one. As with regular program employees Dept desires keep payments USIE employees low as possible order avoid setting undesirable precedent complicating problems other posts. However, final decision this matter discretion prin[cipal] off[icer].

When informing USIE local employees of discharge, be prepared make severance payments immed, obtaining if possible certificate complete satisfaction from employee. If unable obtain such certificate because failure refund retirement deductions auth include in severance payments amounts estimated near as possible to retirement refund which wd be payable by Civil Service.

You will be given severance pay allotment soonest.

This tel does not affect Amer[ican] employees USIE program which will be dealt with in later communication.

Pls keep Dept informed.

ACHESON

125.7143/8-1049: Telegram

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

[Extract]

PEIPING, August 10, 1949—11 a.m.
[Received August 10—4:11 a.m.]

1302. [To Nanking:] August 4, 1 p.m. Re Embassy’s cirtel July 30, repeated Department 1653.10 Van Putten and I agree it is desirable reduce USIS personnel to skeleton staff in near future in order avoid any creation “prescriptive rights” by keeping them on after need patently passed. Not [Note?] that principles indicated Contel 907, July 31 envisaged discharge employees when business may close. In present circumstances USIS being closed by overt order MCC. In circumstances noted, anticipate no difficulty or at most simple requirement that staff be given 1 month’s notice and something in nature sep-

* Not printed; it concerned liquidation of USIE offices (125.0093/8-649).

10 Not printed.
aration pay (which would be in present case covered by payment retirement funds and terminal leave).

CLUBB

125.9371/8-1249: Telegram

The Consul General at Tientsin (Smyth) to the Secretary of State

TIENTSIN, August 12, 1949—9 a.m.

[Received August 15—6: 58 a.m.]

618. Re ourtel 568, July 28. Tientsin “People’s Government” issued August 9 “provisional measures collection house tax” (for full text see ourtel 619, August 12). Assessment to be made September 1 and payment September 10 retroactive to January 1. We estimate tax on four Consulate General houses and ex-Japanese Consul building (all US Government-owned) about $620 for period January–June, and $103 monthly thereafter, or total through August about $826.

We plan inform local authorities that as Consulate General properties are government-owned and non-income producing, we assume they exempt this tax in line pertinent section regulations. However in view previous actions local government re “nonrecognized” foreign consuls, not too hopeful exemption. Therefore request prompt instructions re policy if exemption disallowed, as default charges for delayed compliance reporting properties and filing assessment application amounts 50 percent, and penalty delayed payments mounts steeply with arraignment in court after 30 days overdue.

We would appreciate reply by August 20.

Other consuls here asking instructions from their embassies.

Re ourtel 595, August 8. It would be helpful if Department or Embassy could keep this Consulate General informed re taxation matters in other Communist-occupied areas particularly Shanghai.

Sent Department as 618; repeated Nanking as 332, Shanghai as 384. Department pass Peiping as 24.

Smyth

124.981/8-1949: Telegram

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

NANKING, August 19, 1949—5 p.m.

[Received August 19—9: 54 a.m.]

1836. [To Tientsin:] ReContel 332, August 12, received here August 17. Embassy and ConGen Shanghai declining pay house tax on ground property owned by foreign government and used in its service

²² Not printed.
²² Same as No. 618 to the Department, supra.
exempt by international usage and law. Shanghai believes local authorities not yet ready commence eviction or condemnation proceedings, and Embassy incline to agree. Assume Department’s instructions already en route to you; however, British and Italian Embassies state they understand assessment date is August 20 and therefore Embassy recommends urgently punctual compliance reporting and assessment procedure with simultaneous expression reservation of rights on any points which might imply a submission by US Government to tax powers of local authorities.

Sent Tientsin 72, repeated Department 1836, Shanghai 1014.

JONES

125.714/8-1849 : Telegram

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

WASHINGTON, August 23, 1949—6 p.m.

565. In view proposed staff reductions other China posts Depciert Aug 15, 7 a.m., and urtel 1391 Aug 18, 13 Dept had hoped be able transfer to Peiping from other posts surplus personnel not due statutory leave or available assignment new posts. However, appears no present possibility obtaining travel permits authorizing travel such personnel from central to north China or permits for entry into China of new personnel and only source additional personnel for Peiping this time wld be Mukden and Tientsin. Mukden staff being ordered return US and Tientsin being instructed reduce staff by attrition through permitting departure personnel on statutory leave. In view foregoing wld appear only means keeping Peiping staff up to strength wld be through assignment language officers to ur office as they finish their courses. Ur comments requested. 24

For your info, Dept planning close Dairen, Tsingtao and Hankow in near future and withdraw US personnel as transportation facilities available. Kunming and Chungking have been authorized close and withdraw Amer personnel prior to Commie take-over those cities. Tihwa being closed and personnel now withdrawing.

With departure Min-Counselor Clark when Canton falls Dept desires you assume responsibility for over-all appraisal China scene, rather than restriction to ur consular district or north China, in reporting polit developments. This appears particularly desirable in view increasing importance Peiping as center Commie polit activity. In this connection, ur tels have been extremely helpful to Dept and have been of uniformly outstanding quality.

ACHESON

23 Neither printed.
24 The Consul General at Peiping stated in his telegram No. 1508, September 8, 11 p.m.: “Estimate that assignment Language FSO’s Peiping would enable office maintain essential functions visible future.” (125.714/9-549)
WASHINGTON, August 26, 1949—6 a.m.

Dept concerned over demands Commie auths for payment taxes on US Govt real property used exclusively for Govt functions in occupied China.

Dept concurs Nanking’s recommendation (Nanking’s 1836, Aug 19) punctual compliance reporting and assessment procedure necessary with simultaneous expression reservations rights on any points which might imply submission by US Govt to tax powers local auths.

Dept has taken position taxes demanded not payable under internat'l law as one sovereign govt may not be taxed by another, either recognized or unrecognized, on properties owned and used for govt purposes. For ur own info case is stronger for dipl property than consular property. However, argument shld be made on basis of govt-owned property used for official purposes.

Make no payments without advance clearance Dept if time possibly permits, and unless other Western Powers definitely agreed pay such taxes. Take no initiative in making payment or encouraging other powers make tax payments.

Necessary that posts make every effort retain protect US Govt property without payment of taxes. As a practical matter, however, it may be necessary to pay taxes demanded. Such taxes to be paid only if in discretion principal officer of each post, based on his knowledge local situation, appears imminent threat exists of eviction, condemnation or confiscation or danger to security Amer personnel.

If necessary to make payment of such taxes Dept expects that appropriate written protests will be made to local auths and that matter be reported to Dept in order that appropriate instru[ct]ion[s] may be sent Peiping on protests cover all cases.

If taxes on realty are confiscatory in nature this will be an element for consideration by Dept in deciding whether to retain the post.

Inform Dept immed estimated costs involved. Necessary allotments will be authorized.

Keep Dept fully and currently informed.

ACHESON

34a Sent to Canton, Hankow, Nanking, Peiping, Shanghai, Tientsin, and Tsingtao.
The Consul General at Tientsin (Smyth) to the Secretary of State

TIENTSIN, August 28, 1949—11 a.m.
[Received August 28—12:03 a.m.]

662. Recently method of Communists' interference with mail sent us by ConGen Peiping has changed. Instead of opening covers and delivering within reasonable time they presently not delivering some. We now missing five Peiping covers sent since August 3.

Since only method of secure communication is to send codes to Peiping by mail for transmittal, situation delays our communications and will be serious if interference intensified.

Smyth

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

PEIPING, August 31, 1949.
[Received September 1—1:10 a.m.]

1447. Kuang Ming Jih Pao August 26 carried notice re registration real estate held by aliens in Peiping municipality and suburbs. Text follows:

"In order facilitate control over aliens' property (both buildings and land) in this municipality, Municipal Land Administration Bureau has specially formulated measures for dealing with application for registration of aliens' real estate in Peiping municipality. Measures provide that in respect to all property (buildings and land) owned by aliens in municipality, owner or legal representative bearing a power of attorney should, between September 15 and end of October 1949, get application forms from Bureau and apply for registration. In applying for registration of real estate, aside from referring to measures provided in 'Rules for Registration of Real Estate in Municipal Area', following procedure should be followed:

"(a) Submit for examination complete set of title deeds (all title deeds in foreign languages should be accompanied by Chinese translation, latter to be accepted as correct version). Receipts shall be issued by Bureau.

"(b) Bring applicant's name, seal, and residence certificate.

"(c) If applicant is religious body, school, company, store, social body, or other such organization, procedure shall be handled by responsible person or by designated agent. In addition, foreigners should fill out accurately and in detail facts concerning all their buildings and land, location, house number, use of property, present state of buildings and/or land, and from whom it was acquired, without concealment or omission or fabrication.

"Any property (buildings or land) acquired by a foreigner in name of a Chinese or under any other name shall also be correctly registered without concealing facts. And particularly without committing acts..."
such as concealing enemy or bogus property or invading other public or private property rights. Violators will definitely be dealt with legally."

Sent Department, repeated Nanking 1045, Shanghai 936, mailed Tientsin.

CLUBB

125.7146/9-549 : Telegram

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

PEIPING, September 3, 1949—10 a.m.
[Received September 3—6:09 a.m.]

1474. ReDeptel 564, August 22. All external USIE work Peiping terminated in accord MCC order July 19. Loan of material would be violation order, everything called in, nothing being issued. Van Putten and I agree strict compliance indicated local groups desirous of having materials and authorities might be quite willing them get such materials if outside USIE channels, but MCC stand is categorical and continued USIE activity would not only fail being credit USIS but probably give excuse for more castigation and perhaps new restrictions. Our interpretation is that we can continue with USIS inter-official activity but nothing more for present, with whole issue presumably awaiting final definition when new government set up and question recognition arises.

Recommend status USIS Peiping be left undefined for present, with continuation lease USIS premises for present term ending November with reconsideration that time. Property reallocated, redecoration just being completed, desirable property already becoming scarce (Contel 1132, July 7). Propose all USIE materials and books be retained in situ under supervision small part-time staff. Librarian when employed will complete work on card file.

Recommend that in interim Van Putten be given home leave as soon as eligible so as to be ready to return promptly if USIE able reopen. Believe his local contacts and knowledge local conditions make it desirable in event reopening here person in charge be present Peiping.

Prepared in consultation Van Putten.

No reply Consulate letter August 8 to MCC ever received.

Sent Department, repeated Nanking 1068, Shanghai 949, Hong Kong.

CLUBB

\[29\] "Not printed.\]

\[30\] In telegram No. 632, September 14, 4 p. m., the Department informed the Consul General that it concurred in his decision to comply strictly with this order.
CONSULATES IN OCCUPIED AREAS

123.937/9-349: Telegram

The Consul General at Tientsin (Smyth) to the Secretary of State

TiENTSIN, September 3, 1949—noon. [Received September 4—8:14 a.m.]

703. Communist authorities have consistently taken line that Consulates not recognized and that consular personnel and property foreign governments treated as foreign [non-]official so long as diplomatic relations not established. Although dismay [this may?] not conform international practice we feel from practical viewpoint it must be taken into account and whether or not we like it our course action must be predicated on this fact. We feel mistake to think Communists will heed “diplomatic” protests or arguments based on international comity.

Futility our “vigorouss protests to highest Communist authorities” demonstrated number cases, notably that consular staff Mukden remains virtually prisoners; also re USIS closing. “Vigorous protests” look well in American press or over radio but effect on Communists seems nil. Obvious our consular officers in Communist areas are here on Communist sufferance and must comply Communist regulations or suffer consequences. Mukden good example how we at mercy of Communists with apparent inability United States Government assist Consuls.

Smyth

893.5200/9-849: Telegram

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

PeIPING, September 6, 1949—noon. [Received 7:16 p.m.]

1480. ReContel 1447, August 31. Peiping Consuls September 1 agreed tentatively regulations by use term “aliens” (foreign persons) automatically excluded foreign government property from registration requirement. All concerned are communicating with their Embassies or Government and we propose adjust positions to developments. ReDeptel 137, March 18, note that in most cases deeds would be unavailable, status property having been determined by international agreement. Propose in short refrain from action unless later called for. Please instruct.18

17 Not printed; it suggested that “no action re formal title deeds be taken time being.”

18 The Acting Secretary of State informed the Consul General at Peiping in telegram No. 648, September 20, 3 p. m., that, should regulations when promulgated refer to registration of property of only “aliens”, the Department would have no objection to the approach described in telegram No. 1480, September 6, if a majority of the Consuls agreed on it (893.5200/9-1049).
Note proviso regulations applicant shall present resident certificate, permitting interference [inference] such certificates will be issued by September 15.

Sent Department, repeated Nanking 1065, Shanghai 950. Department pass Tientsin 85.

CLUBB

125.987/9-949 : Telegram

The Consul General at Tientsin (Smyth) to the Secretary of State

TIENTSIN, September 9, 1949—10 a.m.

[Received September 12—1:42 a.m.]

721. ReDeptel 288, September 2, 7 p.m.\(^{20}\) I feel that under conditions at present and foreseeable future, there is no good reason to maintain more than small staff here.

Tientsin has always been primarily a commercial post, but American business community has now dwindled to a few persons and firms for whom we are able to do little if anything in our present condition of "non-recognition". Trade promotion is hardly possible with government trading companies taking over more and more of foreign commerce and adjusting their trade methods to Communist pattern. Lack of access to official and other sources and absence of published statistics and economics as a rule out report-writing. Such basic analytic and interpretive reports as we could telegraph on economic conditions since Communist take-over 8 months ago are already in Washington. Recent weeks and months have added little, only odd bits which substantiated our earlier observations and interpretations.

Possibilities for political reporting are extremely limited under strict Communist regime. Chinese civilians, who formerly gave information freely on situation, now afraid to talk. Basic facts of general situation have already been reported.

Until month or two ago, staff fairly busy, much time in coding reports. This reporting has markedly decreased for reasons given above. Regular work now confined to issuance Consular invoices and a few passport and other services for small American community remaining here—less than 70 Americans (including ConGen personnel) and some of these plan to leave. Visa work practically ceased (see our telegram 434, June 20 and Deptel 169, June 30\(^{21}\)). Coding and miscellaneous administrative problems arising from present conditions constitute much of our work. Present staff no longer fully occupied and preferable take away those not needed.

Another factor in general picture is that importance of Tientsin as a post has decreased since delimitation of Tientsin and Peiping

\(^{20}\) Not printed.

\(^{21}\) Neither printed.
districts by which much of this district turned over to Peiping ConGen. Tientsin district now so restricted I believe Tientsin should be reclassified from ConGen to Consulate.

In my opinion, American staff of this office should be reduced to one Vice Consul (general service), one Vice Consul (Chinese language officer), and one or two clerks.

Present Chinese staff should be retained substantially at present level, as with contemplated strengthening of Peiping ConGen (Deptel 283, September 1) it can be expected this office would have considerable work handling travel arrangements for official personnel and official shipments through Tientsin. Our experience that with increased red tape under Communist regime many more man hours spent this work than formerly. Retention Chinese custodial employees also necessary maintenance Government-owned properties.

Dept's views are requested, upon receipt of which specific staff recommendations will be made.²³

Smyth

893.00B/9-1249: Telegram

The Consul General at Tientsin (Smyth) to the Secretary of State

TIENTSIN, September 12, 1949—2 p.m.
[Received September 13—8:56 a.m.]

726. Communist increasing strictness control here. Chinese doctor, trained in US and one of few Chinese still willing talk (privately and confidentially), states Communists making clear they displeased with Chinese having contacts with foreigners. Chinese showing increasing reluctance contact foreigners. General trend shown by fact Keats Chu, manager large Ten Li Co., whose export business almost entirely with US, just made member committee local Sino-Soviet Friendship Society. Chu, educated US and long special friend Americans, now avoids contacts with Americans and foreigners in general.

Communist control mail growing stricter. No more safe send mail by masters But [terfield &] Swire and Jardine ships allowed. Our mail from Peiping so frequently not received necessary use Americans as couriers.

General controls here much stricter than Peiping. Example, American staff Peiping ConGen able obtain passes visit Tientsin. Here, however, only girl employees able get passes visit Peiping; Brown, McCarthy,²⁴ Rogatnick²⁵ unable get passes.

²³ Not printed.
²⁴ The Secretary of State informed the Consul General at Tientsin in telegram No. 312, September 10, 9 p.m.: “Dept agrees with ur suggestions on reduction of Amer staff.”
²⁵ Richard M. McCarthy, Vice Consul.
²⁶ Joseph H. Rogatnick, Consular Attaché.
Foreigners here subject increasing inconveniences and Communist policy obviously make foreigners lose face. It is growing apparent withholding of exit permits will be used as club over foreigners. New medical examination for applicants' exit permits extremely strict, unreasonable, and possible exit permits may be refused, if Communists desire, on medical rather than political grounds.

With few exceptions, foreigners here increasingly discouraged over business prospects, as passage time evolves Communists here more following Russian Soviet pattern in all matters.

Smyth

125.9371/9-2149 : Telegram
The Consul General at Tientsin (Smyth) to the Secretary of State

TIENTSIN, September 21, 1949—3 p.m.,
[Received September 24—12:14 p.m.]

778. Reourtel 715, September 7. As French and British Consuls paid house and sanitation taxes, we felt no option but do likewise. Taxes paid September 14 on four Government-owned houses totaled $75 for January–June period or $3.15 per house per month. Payment made with written protest in accordance Depcirtel August 31.27 No bill yet received for ex-Japanese property and possible exempted as dilapidated, unused.

Tax bureau replied our letter August 31 requesting tax exemptions for United States Government-owned properties: “According to regulations, house and sanitation taxes should still be levied on foregoing properties.”

Communist attitude re nonpayment taxes reported by foreigner who protested amount tax his property; he bluntly informed if taxes not paid property confiscated.

As we have reported on many occasions during past 8 months, most recently in ourtel 703, September 3, Communist authorities have consistently taken line that Consulates not recognized and that consular personnel and property foreign governments will be treated as non-official as long as diplomatic relations not established.

Smyth

26 Not printed.
27 See circular telegram of August 26, 6 a. m., p. 1104.
CONSULATES IN OCCUPIED AREAS

125.7146/9-3949 : Telegram

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

PEIPING, September 30, 1949—3 p.m.
[Received September 30—5:47 a.m.]

1658. ReContel [1476] September 6 [9 a.m.]. Difficulty still continues regarding mail addressed Tientsin with tampering and loss additional covers evidently in Tientsin Post Office. Representations Peiping fruitless. This Consulate therefore refraining from despatching messages or other official correspondence by mail to Tientsin.

MacDonald, who discussed matter in course trip Tientsin last week, reported office there unwilling use alien personnel as couriers to get its mail and unable (see Tientsin’s 789, September 27) get passes for travel American personnel.

Peiping, naturally, not in position spare its American personnel for frequent courier duty, believes further that too frequent travel might well lead to added difficulties regarding our own obtaining of travel passes. This office will of course use every available opportunity get Tientsin’s messages to it at least twice weekly but irregularity and occasional delay in circumstances be anticipated.

Tientsin’s mail to Peiping comes through regularly.
Department pass Tientsin 89.

CLUBB

693.5200/10-1349 : Telegram

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

PEIPING, October 13, 1949—noon.
[Received October 14—9:20 a.m.]

1738. ReDeptel 648, September 20. Consuls in meeting October 12 again agreed, particularly against background establishment Peiping new government and its bid for recognition, refrain from action re registration government property presently occupied by Consulates on following ground 1) regulations applicable “aliens” (foreign persons), 2) question status particular property in question is one concerning foreign governments and Communists to date evidently unwilling deal with matters concerning governments which have not recognized them and 3) status same property as defined not in title deeds of interest local land bureau but in international treaties validity which per Communist statements is subject study.

Another suggestion was brought forward in meeting proposing that Consulates might, if they had opportunity, meet with authoritative

* Not printed.
* John E. MacDonald, language officer at Peiping.
* Not printed, but see footnote 18, p. 1107.
representative People's Government, set forth their position that regulations presumably inapplicable Consulates' property. It was however generally agreed probably better let matter rest in present status on basis assumption Communists probably undesirous now discussing matter and would not desire make trouble for Consulates at this period when they have bid for recognition.

Action taken by private persons register property according new regulations to date discovers Communists apparently have undertaken only first step of matter, that is, ascertaining foreign real property holding (note similarity re registration foreign nationals, still unpossessed of residence certificates, which incidently unrequired re land registration despite regulations). Note length time taken get matter under way under Kmt rule and note further Communists have technically called into question treaties on which rights beneficial ownership based and at same time have presumably abrogated land law as well as other law codes. Matter will undoubtedly go forward only slowly. Because of absence from Peiping various owners, unrepresented here and sometimes even whereabouts unknown, and possible existence title claims unknown Consulates, it would seem desirable for this office make some statement to land bureau reserving rights unknown owners. Of course, doubtful whether bureau would accept but mere approach would be matter record. Please instruct.

CLUBB

125.714/10-1849 : Telegram

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

PEIPING, October 18, 1949—1 a.m.
[Received 6:22 a.m.]

1769. Note change October 1 of name Peiping to “Peking”. Believe conformity by American Foreign Service establishments unobjectionable except on one point Nationalist sensibilities, and conformity would avoid one minor point exacerbation Communist feelings. Please instruct.

CLUBB

125.714/10-1849 : Telegram

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

WASHINGTON, October 27, 1949—7 p.m.

746. Urtel 1769 Oct. 18, In consideration our political relations with Chi Govt, denotation carried by name “Peking” and administrative

31 Repeated to the Embassy at Nanking as No. 1105, to the Chargé in China as telCan No. 738, to the Consul General at Shanghai as No. 2180, and to the Consul General at Tientsin as No. 376.
complexities involved, no change being made in Departmental and general FonServ use of "Peiping". Dept perceives no objection, however, to your following local usage this matter and employing in local communications name of city as designated by local auths. For urinfo, Dept will also employ name "Peking" in any open mail or telegraphic communications transmitted to you via commercial facilities.

ACHESON

893.5200/10-1349 : Telegram

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

WASHINGTON, November 2, 1949—5 p.m.

764. Dept has no objection procedure described para 1 urtel 1738 Oct 13 for reason numbered 1 but questions strength reasons numbered 2 and 3.

Re para 2 Dept concurs better let matter rest present status.

Re para 3 Dept authorizes ConGen transmit statement local auths reserving rights absent Amer owners real property.

ACHESON

125.0093/11-1549 : Telegram

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

PEIPING, November 15, 1949—noon.
[Received November 15—10:31 a.m.]

2001. ReContel 1976, November 10. In meeting Consuls yesterday note was taken of (1) movement local authorities against German property, and (2) inclusive in new proclamation re registration aliens real property reference to "public".

Regulations still make no mention government property held by Soviet Government [in] Peiping. On their face they are applicable simply property "aliens", and "public" might refer schools et cetera. It was, however, considered desirable by all concerned as certain course current developments re government property Shanghai, Nanking, Tientsin and at same time ask instructions our governments. It was considered possibly now desirable for purposes record send identic letters Chou En-Lai stating that due note had been taken of regulations; that it appeared regulations were inapplicable government property but that if they were considered applicable, local authorities were informed that property located such and such address was property blank government with title determined by treaty, exchange of

—Not printed.

notes, lease or title deed as case might be. It was agreed this had best
be done only in official capacity, that is, using official title in commu-
nication in order avoid embarrassment and possible attack on title
which could follow our action in “unofficial” or private capacity.

It was agreed also that Communist action elsewhere would not neces-
sarily be guide to action here. Nevertheless, request brief survey by
Department of situation re position US Government property three
above-mentioned posts. Please authorize likewise that I act at my dis-
cretion along lines indicated above. Please instruct particularly re
title, deeds or treaties to be cited in our case. In this connection note
report Miss Helen Popoff, long connected Legation, to effect that de-
spite recent treaty provisions Government had actually purchased land
on which Consulate situated.

Specifically, please authorize in case used, inclusion in any general
address west Glacis abutting on ex-Marine compound (on basis pre-
scriptive right and our possession building thereon).

Note French, British, Dutch in addressing their notes Chou all used
his full title with identification “People’s Government China People’s
Republic” arguing that they were technically safe in so doing since
local regime was thus far differentiated from Nationalist Government.
ReContel 1992, November 14, cite believe that my sole title “General”
for Chou might have been used as technical justification for return
notes and request instruction whether I authorized use same address
and courtesy for him, particularly in present instance where I would
use own title but also as general procedure.

Please instruct priority.

Sent Department 2001; Department pass Shanghai 182; Tientsin
95; Nanking 1157.

Clubb

125.0093/11-1849 : Telegram
The Consul General at Peiping (Clubb) to the Secretary of State

Peiping, November 18, 1949—2 p. m.
[Received November 18—12:29 p. m.]

2031. Miss Popoff cited Contel 2001, November 15, recalls FSO
Cecil Lyon who was in charge Décanat at Peiping stated American
Consulate property had been purchased outright and that FSS Mrs.
Krenz stated pertinent papers had been sent Department. Acquisi-
tion thus of at least part of government property by Popoff version dates
back to approximate Boxer times with one Colonel Blandy [Denby?] being previous owner. Despite recent treaty provision giving occupa-

24 Ante, p. 849.
30 Charles Denby, Minister in China, 1885–1897.
tion for official use, believe it would be useful (particularly since Communists presumably challenge validity that treaty) check to clarify previous titles.

Refusal local authorities have any contacts with consuls in latter's official capacities, with refusal for instance even register motor cars in name US Government or representative that Government, of course makes it appear improbable Communists will accept registration in name American Government. Since they must know consuls will probably resist registration as private property, question logically arises as to ultimate Communist purpose. This unknown here but remark again reputed Communist aim to effect eventually removal foreign government representatives from Legation quarter and invite attention therefore possibilities in development Communist pressure on American installations Tsingtao and possibly Peiping, elsewhere. Recommend strongly that in case infringement American Government property rights China by Communists, full compensation be taken through impounding action against Chinese Government real and movable property including cash assets USA at such time as Nationalist Government may have lost control.

Clubb

125.0693/11-1349 : Telegram

The Second Secretary of Embassy in China (Bacon) to the Secretary of State

NANKING, November 18, 1949—3 p.m.
[Received November 18—6:31 a.m.]

2454. [For Peiping:] Contel 2001, November 15. As result joint discussions at Embassy, principal officers missions mentioned below have requested quoted portion this telegram be passed by AmCon Peiping to respective Consulates Peiping and by Department to respective Embassies Washington for transmission Foreign Offices concerned.

"As result meetings November 17 and on 18 of officers in charge British, Netherlands, French, Italian and American Embassies following conclusions reached:

1. We see no objection eventual registration as such since this probably desirable as means protecting rights;
2. Meantime letter proposed by you should be sent not to Chou En-lai but to land administration bureau since (a) policy to date has been to approach local administrative authorities rather than Central Government. (b) Chou's reply, if any, might well be delayed until after November 30 which case penalties for noncompliance might be applied.
3. Both letter and possible registration application should make clear rights in respect property described are held by government concerned.
4. Whether letter or application is filed, manner of signing seems secondary importance. If document bearing official signature will be
accepted should be signed that manner. But if consulates have reason to believe document liable rejection if so signed should be signed in individual capacity. However, in such case should be made clear signer acting as agent for government concerned.

5. If, but only if, there is evidence that registration preliminary step imposition taxes, application should contain reservation that government concerned does not in effecting registration acquiesce in possible exercise tax powers local authorities in respect such property.

6. We recommend that no reference be made in your letter to deeds, treaties, et cetera, since only few deeds available and since we consider this neither suitable time nor suitable occasion risk raising controversial question validity existing treaties and other intergovernmental agreements."

Department pass to Peiping 402, Shanghai 1238. Peiping pass Tientsin.

BACON

702.0093/11-1949: Telegram

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

PEIPING, November 19, 1949—noon.
[Received November 19—4:47 a. m.]

2043. Consuls met yesterday regarding question land registration (reContel 2029, November 18 19). It was agreed most recent development required action and that it should not be taken vis-à-vis Land Bureau instead Chou En-lai. It was considered that particularly because of desirability effecting initial clarification of relations of Consulate to matter in point, parallel letters of acknowledgment should early be directed Land Bureau acknowledging receipt communications, noting that real property at such and such addresses (including those which might be unnamed in Bureau’s letter) belong blank government; stating that Consulate would be able act in matter only as “official representative” of that government and instructions were being requested from his government and new communication would be sent when such instruction received. It is planned meet November 21 to reach final decision against background information which may be received in interim from Tientsin with letters to be sent out immediately thereafter. Consulate titles would not be used in signature but text of letter would, as indicated, make clear that person signing was acting only in official capacity. Further agreed most desirable Consulates take parallel action re matter in point.

Mytel 2035, November 18.13 Note that form does not name “owners” but only “user” and “applicant”. Consulate agreed that under heading “user” and “applicant” should be set forth name government and that

13 Not printed.
agent would be consular official. Other Consulates found no objection agent signing form without title but note reputed requirement Tientsin that British Consul in signing as agent should also affix personal Chinese seal. Believe proper position would be that any seal used could only be official Consulate seal. Would be prepared agree that if user and applicant were alike stipulated to be American Government, agents might forego insistence on affixing his title since if local authorities were prepared accept unfrozen agency without protest, presumably omission of title would not constitute our acquiescence in non-official and private status agent. However, request answer particularly on this.

Trouble has reputedly been met Tientsin due demand Land Bureau information submitted on form dictated manner. I feel that application might be submitted in any form applicant found fit and that it would only be after acceptance that Bureau would legally be entitled challenge position indicated by applicant. Therefore believe that application should not be worded to meet Bureau's political desires, that unless authorities prepared accept form as submitted by Consuls, Bureau's rejection of form should be viewed as refusal to consider application.

Mytel 2030, November 18. Believe that on completion form Article 2 of 1943 treaty should be cited as basis title, thus making direct issue of validity that treaty. Believe it will be necessary inform Land Bureau at time impossible give all requested data within time limit set. However, if matter made issue include west Glacis on ground that it constituted part of “the land which has been allocated to Government USA in diplomatic quarter Peiping on parts of which are located buildings belonging to Government USA”.

Assume it would be necessary effect detailed survey before there could be determined, for instance, value land, buildings and total value real property involved. Believe forms should be submitted by November 26, if possible. Please instruct priority.

In view felt desirability united stand, Department and Nanking may desire consult representatives concerned governments.

Sent Department 2043; Department pass Shanghai 1202, Tientsin 99, Nanking 1166.

CLUBB

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38 Not printed.
702.0098/11–2249: Telegram

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

PEIPING, November 22, 1949—6 p. m.
[Received November 23—12:29 a. m.]

2054. Consuls yesterday took note difficulties by report being experienced re registration government property Tientsin, agreed nevertheless letter in parallel terms should be sent Land Bureau without official signature but text making clear (1) properties involved appertained foreign governments, and (2) consuls acting in their capacities authorized agents “those governments were requesting instructions”. Dispatch letters being held up temporarily, probably until 25th.

This preliminary letter reply technically unessential, would be necessary only if it proved infeasible take first steps for application in prescribed procedure by November 30, but was felt desirable in order effect initial clarification matter. Personally feel Communist bona fides undependable, and remarkable absence code law for use as reference, therefore consider due care should be taken avoid comprise [compromise?] our official character. Re Embtel 406, November 22, particularly feel strongly private Chinese seal should not be used because of implication (especially in Chinese eyes) action performed in other than official capacity.

Reiterate at this time strong belief in desirability maintenance united front here as elsewhere vis-à-vis Communists.

Sent Department 205; Department pass Nanking 1168, Shanghai 1206, Tientsin 100.

CLUBB

702.0098/11–2549: Telegram

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

PEIPING, November 25, 1949—noon.
[Received November 25—2:29 a.m.]

2080. Consuls yesterday decided send letter (Contel 2054, November 23 [22]) Land Bureau tomorrow along indicated lines without title, unless in receipt prior contrary instructions. French Consul for present unable act in view instruction from his office Shanghai.

Sent Department 2080; Department pass Nanking 1175, Tientsin 101, Shanghai 1215.

CLUBB

40 Not printed.
CONSULATES IN OCCUPIED AREAS

803.5200/11-3049 : Telegram

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

PEIPING, November 30, 1949.

[Received November 30—8:22 a.m.]

2133. Refel 2108, November 28. Following is text letter sent Pei-king Bureau Land Administration under date November 29 reserving rights absent Americans re titles real property this municipality:

"With reference to regulations, effective November, of September 15, 1949, re registration of aliens real property and November order Fu Ti I No. 15 extending period for submission of application for such registration, I invite your attention to circumstances that there are probably number of American citizens holding title to real property in this municipality who, however, are presently absent from Peking, and either have not been informed in respect to current regulations, or have been unable to make arrangements to make application for registration as indicated. Under instructions of US Government, I would inform you that my Government therefore makes reservation in respect to rights of nationals of US holding title to real property in area covered by reference regulations, in those cases where concerned Americans may have been unable to comply with reference regulations within time set, because of absence from Peking, or other valid cause."

Letter returned by Bureau shortly afterwards.

Sent Department, Shanghai 1241, Nanking 1192, Tientsin by mail.

CLUBB

Clubb

125.7141/11-3049 : Telegram

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

PEIPING, November 30, 1949—5 p.m.

[Received December 1—11:47 a.m.]

2155. Submitted applications for registration property November 30 (mytel 2029, November 18 **). Property divided four parts: (1) San Kuan Miao; (2) motor pool; (3) main compound 23 Legation St; (4) Glacis property west of (3), with separate application for each. British, Belgian, Netherlands, Italian consular representatives also applied registration property their governments. French awaiting instructions have not presented applications. All used identical Chinese answers on bureau form as suggested Nanking’s 2455, November 18, and 2468, November 22 ** as far as possible.

Land Administration Bureau raised no question “former” ["for"] American Government or status “Foreign Service Officer”. Used Con-

** Not printed.

** Neither printed.
sulate General stamp once on document in nature and register not on application forms. Personal stamp neither supplied nor required. But requested delivery within one week, sketch of property covered in applications including buildings located thereon. Now endeavoring prepare this on basis available information and maps, but will state at time submission it is not survey map. Land Bureau plans independent survey British compound and other Peiping property and may in due course propose survey American Government property.

Under head "Titles or Deeds Submitted" all Consuls used formula Nanking's 406, November 22.\(^{44}\) Bureau requested copy of such agreements. Paragraph 4 Nanking's 406, November 22, please instruct priority re treaty citation.

Sent Department 2155. Department pass Nanking 1200, Shanghai 1251, Tientsin 107.

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1257141/12–649 : Telegram

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

PEIPING, December 6, 1949—6 p. m. [Received December 7—1:15 p. m.]

2227. Consuls meeting today took cognizance previous action at Tientsin re payment house and land taxes and regulations governing matter recently promulgated Peiping (Contele 2165, December 2; 2215, December 6 \(^{45}\)). Agreed themselves not take initiative by approaching Bureau and if themselves approached, (1) not to pay, (2) to present no argument, but simply (3) to refer question to their several governments.

Note December 15 land tax deadline. If Tientsin action be taken as precedent, Consulates here will possibly be approached for payment taxes.

In circumstances, request (1) information re denouncement Shanghai (re Deptel 1419, July 15 to Shanghai; \(^{46}\) Deptcirtel August 26, 6 a.m.; \(^{47}\) Shanghai's 303, September 1 \(^{48}\)) and (2) Department's directive re procedure to be followed Peiping, particularly in event local authorities demand such taxes.

Sent Department 2227; Department pass Shanghai 1283, Nanking 1224, Tientsin 108.

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\(^{44}\) Not printed.

\(^{45}\) Neither printed.

\(^{46}\) Post, p. 1233.

\(^{47}\) Ante, p. 1104.

\(^{48}\) Same as telegram No. 3615, September 2, 3 p.m., p. 1288.
The Secretary of State to the Consul General at Peiping (Clubb) 49

WASHINGTON, December 8, 1949—6 p. m.


ACHESON

The Secretary of State to the Consul General at Peiping (Clubb) 52

WASHINGTON, December 16, 1949—7 p. m.

909. Urtel 2227, Dec 6. Position taken Depeirtel Aug 26 still prevails. If tax bills recd they shld be returned with statement ConGen assumes bills sent in error. In returning bills ConGen shld state reason for exception viz., “taxes not payable since a sovereign Govt shld not be taxed on property owned by that Govt and used for Govt purposes”.

ConGen in its ltrs to Shanghai land admin bureau stated US Govt adheres to internationally accepted principle one country does not tax property of another, US Govt considers itself not liable for payment of taxes.

Suggest you handle tax problem this basis but keep Dept fully informed.

Sent Peiping, rptd Shanghai, Nanking.

ACHESON

49 Repeated to the Embassy at Nanking as No. 1282.
50 Foreign Relations, Appendix, 1901, Affairs in China, pp. 312, 316.
51 Department of State Treaty Series No. 984, or 57 Stat. (pt. 2) 767, 768.
52 Repeated to the Consul General at Shanghai as No. 2438 and to the Embassy at Nanking as No. 1300.
III. HANKOW AND TSINGTAO; REFUSAL OF COMMUNISTS TO DEAL WITH CONSULATES; CLOSING OF UNITED STATES INFORMATION SERVICE OFFICES; CLOSURE OF CONSULATE AT HANKOW AND WITHDRAWAL OF STAFF; CLOSURE OF CONSULATE AT TSINGTAO; SEIZURE OF UNITED STATES GOVERNMENT PROPERTY BY COMMUNISTS AT TSINGTAO; DEPARTURE OF STAFF FROM TSINGTAO DELAYED BY COMMUNIST OBSTRUCTIONS

898.00/5-2449: Telegram

The Consul General at Hankow (Callanan) to the Secretary of State

HANKOW, May 24, 1949—3 p.m.
[Received May 24—5:20 a.m.]

157. Last 4 days quiet, uneventful, no formal entry made by Communists. In reply to letter from Commissioner of Police written just before Communists arrived, I sent him, just after Communists arrived, list of American properties Hankow. Same action taken British and French colleagues. Upon verbal request police officer of former Foreign Affairs Section known to Consulate General and still occupying post, a list of American and Chinese staff of Consulate General supplied. He planning submit list when turning over to new officials.

Ferry services resumed and railways being repaired. New mayor Wu Teh-feng reported assumed office May 23. Sian reported taken May 20 and Nanchang 22nd, only confused rumors re Changsha.

Foreigners here using their cars and moving about Wuhan as usual. No regulations or orders have been issued restricting activities in any way.

Sent Department 157, repeated Nanking 119, OffEmb Canton 72.

CALLANAN

898.00/5-2549: Telegram

The Consul General at Hankow (Callanan) to the Secretary of State

HANKOW, May 25, 1949—9 a.m.
[Received 3:03 p.m.]

159. Wuhan garrison headquarters regulations issued through press yesterday. Summary follows:

(1) people to continue normal occupations and observe orders; (2) all anti-Communist organizations dissolved, their officers to register and turn in documents and arms; (3) headquarters will maintain order and punish unlawful acts; (4) disband soldiers and stragglers must surrender selves and weapons and will receive lenient treatment; (5) all arms must be delivered PLA and nobody shall conceal arms,

For information on Chinese Communist occupation of Hankow, see telegram No. 152, May 19, from the Consul General at Hankow, p. 338.

Wuchang, Hankow, Hanyang.

People's Liberation Army (Communist).
ammunition, radio stations or other military supplies; (6) nobody shall shelter those who destroyed property or committed acts of hostility against PLA; (7) all foreigners shall observe laws and orders promulgated; (8) PLA shall observe orders not fire without reason and shall observe discipline.

Reference points 5 and 7, Consulate General transmitter is not concealed, police aware that staff includes 3 radio operators, therefore am taking no action re radio pending more specific approach by authorities. Department note however Consulate General may be off air in few days with little or no advance notice.

Sent Department 159; repeated Nanking 121, Embassy Canton 73.

CALLANAN

TSINGTAO, June 4, 1949.

[Received June 4—12:01 a.m.]

242. Blackerby 56 proceeded ConGen this morning by bicycle relieve Vice Consul Hein 57 prevented entry by C C 58 guards on building.59 Hein, who has been forcibly detained office past 24 hours, will attempt proceed home on foot after dispatch message, leaving two alien members staff in building maintain communications.

Troops also permitting no ingress-egress British ConGen.

City quiet with curfew from 8 p.m. to 5 a.m., standard time which has been established.

Making every effort contact responsible officials in effort obtain vehicle passes and eliminate interference Consular functions, withdrawal troops US Government property.

Now understand Tan Hsi-lin in command troops here and that mayor has not arrived. Press reports Tan Hsi-lin's chief of staff is Chao Yi-ting and that Chairman Military Control Committee is Hsiang Ming with Tan Hsi-lin acting as vice chairman.

Sent Nanking 176, repeated Shanghai 94, Department 242.

HAWTHORNE

56 William W. Blackerby, Consular Clerk at Tsingtao.
57 George M. Hein.
58 Chinese Communist.
59 For information on Chinese Communist occupation of Tsingtao, see telegram No. 263, June 8, from the Consul at Tsingtao, p. 365.
93.06B/6–649 : Telegram

The Consul at Tsingtao (Hawthorne) to the Secretary of State

Tsingtao, June 6, 1949.

[Received June 5—11:53 p.m.]

243. President Soviet Citizens Society, accompanied by Danish Consul, Saturday attempted call CC Military Headquarters apply vehicle passes, refused admission, although reportedly a liaison officer to deal with such matters has been appointed.

Although orders to sentries still somewhat confused, now possible foreigners including American staff enter, leave Consulate General and believe communications can be maintained.

Exchange rate announced today US $1 equals 5.50 PN; 100 Yuan Shihkai $1 ditto; gold bars PN 45,000 per ounce.

Sent Nanking 177; repeated Department 243, Shanghai 95.

Hawthorne

123.9536/6–1349 : Telegram

The Consul at Tsingtao (Hawthorne) to the Secretary of State

Tsingtao, June 13, 1949—1 p.m.

[Received June 13—6:37 a.m.]

261. Chinese staff permitted enter Consulate General for duty today for first time; previously radio operators had lived on premises maintain communications.

Expect issuance vehicle passes tomorrow.

By informal memo today protesting occupation US Government property 1 Kwangsi Road, withdrawal troops from premises requested; meantime responsibility protection real estate and Government property stored therein placed on occupying forces (Chinese staff members residing in building have not been evicted and report no property has been removed[]]. Similarly inquiry made regarding whereabouts welfare Bender and Smith, and when I may expect them turned over my custody (reDeptel 156, June 4).

Relatively little anti-American propaganda either by poster, radio or press. On contrary district military leader of area where Consulate General located on June 11, in speech to representatives each family in district, stated “thanks to our American comrades, the Kmt bandits did not destroy public utilities”. Presumably he referred to joint

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100 People’s Notes (Chinese Communist currency).
1[b] Not printed.
Consular representations to Liu An-chi, previously reported, when I acted as spokesman.
Repeated Nanking 188, Shanghai 106.

HAWTHORNE

125.9356/6-1449: Telegram

The Consul at Tsingtao (Hawthorne) to the Secretary of State

TSINGTAO, June 14, 1949—4 p.m.
[Received June 14—6:49 a.m.]

264. Foreign Affairs Secretary perused but refused accept informal memos mentioned mytel 261, June 13 in absence diplomatic relations. Yang said “liberation army protects lives and properties all foreign nationals”, from which may be inferred he personally at least recognizes status Kwangsi road property. Regarding Bender and Smith, he remained silent.

Re mytel 258, June 11, Yang further stated I am not allowed to move at this time in view order temporarily prohibiting residents from moving.

Reliable contact states higher level Commies here definitely tuning down anti-American propaganda, probably realizing commercial relations with US essential success.

Sent Department 264, repeated Nanking 190, Shanghai 108.

HAWTHORNE

125.9352: Telegram

The Consul at Tsingtao (Hawthorne) to the Secretary of State

TSINGTAO, June 18, 1949—11 a.m.
[Received June 18—5:19 a.m.]

274. Learned that CCMIK [Chinese Communist Military?] occupants property concerned propose remove certain fuels therefrom; I caused delivery following unsigned memo to Foreign Affairs section June 17:

“I was pleased to hear the repeated assurances that the People’s Army and Government intend to protect foreign properties. In this connection, the gasoline and kerosene stored in the compound at Nr. 1 Kwangsi Road is the property of the American Consulate General

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64 Liu An-chi, Chinese Commanding General, Tsingtao Garrison.
65 Despatch No. 19, June 2, from the Consul at Tsingtao, not printed.
66 Yang Yin-chiao, Assistant Chief of the Foreign Affairs section of the Communist Military Control Board at Tsingtao.
67 Not printed; it concerned the Consul’s request to move to 9 Shanhaihuan Road. (123 Hawthorne, Carl O.)
at Tsingtao, having been bought and stored at its present location by this office. I therefore trust that this fuel will not be removed from its present place of storage on American Government-owned property. Needless to say, I cannot acquiesce in the removal of this fuel to any other place of storage, and should it be removed without my authority I can only consider such action as confiscation, unless appropriate receipts are given and written authority granted for withdrawals by me of fuels as needed from the new place of storage."

Anticipate increasing difficulties retaining possession US Government properties, equipment and supplies at this post. I received indirect inquiries as to where American Admiral used to live and status property 9 Shanhaukuan Road. I have replied property purchased by Department for FS use but that as courtesy to senior American official Admiral permitted live there. I pointed out that even during his occupancy Department spent some $25,000 furnishing house.

Repeated Nanking 195, Shanghai 112.

HAWTHORNE

125.531/6—2149: Telegram

The Consul at Tsingtao (Hawthorne) to the Secretary of State

TSINGTAO, June 21, 1949—11 a.m. [Received June 21—6:25 a.m.]

281. Yesterday I renewed request permission move to 9 Shanhaukuan Road. Speaking personally, Yang said he believed such permission could not be given till ownership status clarified and that matter would probably be referred by Military Control Board to central authorities (Yang previously informed we hold title deeds this and other properties).

Reference memo quoted in mytel 274, June 18, Yang said, if for reasons safety, Military should consider it necessary remove fuel from compound due protection will be given and nothing lost, adding if, owing absolute necessity, Ministry should use any part fuel we will be compensated "when all such questions as this and property and moving, etc., are settled". Meantime we not even permitted to withdraw fuel from stockpile since ownership thereof as well as 1 Kwangsi Road property questioned.

Reiterating he spoke only as individual, Yang concluded interview by expressing opinion that if and when relations established on higher level all local problems will be easily resolved.

Repeated Nanking 199, Shanghai 116.

HAWTHORNE

* For documentation concerning withdrawal of U.S. Naval forces from Tsingtao, see vol. ix, pp. 1191 ff.
* Foreign Service.
125.4552: Telegram

*The Consul General at Hankow (Callanan) to the Secretary of State*

**HANKOW, June 24, 1949—3 p.m.**

[Received 11:40 p.m.]

193. Registration Consular cars refused today unless submitted as for "former American Consulate General" and "former Consul General". British colleague only other similar case same treatment. Registration in personal name without reference to status refused. Possibilities under consideration with Embassy’s 65, February 26, to Peiping in mind and no intention denying Consular status.

Sent Department 193; repeated Nanking 148, OffEmb Canton 89.

CALLANAN

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693.002/6-2449: Telegram

*The Consul General at Hankow (Callanan) to the Secretary of State*

**HANKOW, June 24, 1949—4 p.m.**

[Received June 25—4:48 a.m.]

194. Combined Foreign Chamber Commerce Hankow, comprising British Chamber, British firms nonmembers of latter, Bank Indo-China as sole vestige French Chamber and three American firms, organized instrument for approach local authorities in view non-recognition Consuls, sent Foreign Affairs Bureau letter and follow-up suggesting discussion problems but have been ignored.

As yet no contact between foreigners and authorities except specific instances where authorities desire use port equipment and such matters, and connection applications by several for permission go Kuling for summer and one Shanghai for business. Applicants questioned exhaustively and applications taken under consideration. No replies received though applications made 2 weeks ago.

Sent Department; repeated Nanking 149, OffEmb Canton 90.

CALLANAN

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893.01/6-2949: Telegram

*The Consul General at Hankow (Callanan) to the Secretary of State*

**HANKOW, June 29, 1949—10 a.m.**

[Received July 1—6:38 a.m.]

197. Mytels 166 and 167, May 31, to Department. Further new developments. Present status Consulates. French Consul sought inter-

**Not found in Department of State files.**

**Neither printed.**
view Foreign Affairs Bureau, told could not be received, status unrecognized. British Consulate General visited by alleged Foreign Affairs Bureau official who claimed could arrange interview his chief, nothing material yet and Bureau through British Consulate General Chinese clerk disowned alleged officer. Consequently no attempt contact made by me and no incident except rejection letter sent police and refusal car registration reported by 198, June 24. Further study reveals no hope early termination of lay up our cars. Several foreigners wishing travel applied Foreign Affairs Bureau were questioned closely at length regarding their activities and organizations with stenographer taking full notes. Told would be informed but none has yet received permission travel.

Attitudes new government. Chinks have begun appear façade of rectitude presented by new government after liberation. Respective [Respect for?] property does not include effort assure property not foreign before occupation and some Consulate properties are occupied by troops. Seem attitude soft in Hankow but harsh in country and smaller centers where Mission properties inhabited by reduced number missionaries have been part occupied. Peasants reported taxed retroactively 11 years are described by one missionary “in despair”.

Adopting Communist method of elusive officialdom, foreign business firms, grouped as foreign commercial community, trying channel all matters concerning individual firms through itself to Foreign Affairs Bureau and striving reach joint decisions, individual firms when approached referring questions to Chamber. Similarly recreation club having large grounds and buildings, now unused and being pressured for occupancy, has replaced chairman by governing committee so that onus of opposing wishes of authorities falls on no one person. Success this plan remains doubtful as Foreign Affairs Bureau has ignored letters from commercial community requesting discussion problems.

Administration. Evident lack trained experienced people hampers regime, engenders supercaution business and stifles progress. Government by decree in full swing, 13 separate series totalling 22 notifications promulgated covering subjects from traffic rules and health regulations to financial edicts. Assurances protection capitalists published to stimulate business but with little effect. Search for Kmt assets unremitting and properties used by Kmt taken over including some foreign-owned.

General. Little news these days from outlying areas. Nothing re Sian but recent traveler said economic conditions bad Changsha which still held by Nationalists. Chinese merchants still travel here from Canton with watches, medicine, other luxury items despite intervening front line. In bombing June 1, 51 Chinese killed, 4 wounded and 2 of 5 bombs dropped fell in river 200 yards from Consulate. June 2,
6 Nationalist reconnaissance planes greeted by few bursts anti-aircraft fire and no raid followed.

Sent Department 197, repeated Nanking 151, OffEmb Canton 92.

CALLANAN

125.9531/6-3049: Telegram

The Consul at Tsingtao (Hawthorne) to the Secretary of State

TSINGTAO, June 30, 1949—10 a.m.
[Received 10:16 a.m.]

302. Chinese military yesterday began removing from compound at 1 Kwangsi Road Consulate General’s stocks of gas, kerosene and lubeoil (remytel 281, June 21).

Sent Department 302, repeated Nanking 210, Shanghai 126.

HAWTHORNE

893.4212/6-3049: Telegram

The Consul at Tsingtao (Hawthorne) to the Secretary of State

TSINGTAO, June 30, 1949—2 p.m.
[Received July 1—11:23 a.m.]

304. Cheloo University in Tsinan only Protestant Christian college in Shantung. Prior to Communist occupation major portion students and all faculty members except 30 Chinese, 4 Americans and 2 British evacuated to Hangchow. Evacuated students now permitted return, also professors who have been “cleared”, and Chinese President returned Tsinan recently.

Major changes under Communists are, (1) removal of all foreigners from office in university on grounds such institutions should be strictly Chinese; (2) reduction course to 2 years high school and freshman courses; (3) increasing hours study Chinese literature and government at expense English language; and (4) pressure foreclosure theological seminary on grounds religious instruction out of place on campus.

No interference with college’s policy borrowing money against outside credits yet experienced.

University pressured into turning over half of campus and all empty residences to Communist propaganda school. Authorities reluctant openly force foreigners out but constant pressure being exerted through petty annoyances prevail upon them leave Tsinan on own volition (reDeptel 157, June 4.72).

HAWTHORNE

72 Not printed.
The Secretary of State to the Consul at Tsingtao (Hawthorne)

WASHINGTON, July 1, 1949—7 p.m.

177. Dept assumes you have protested to local Aliens Affairs Office (urteil 302, June 30). Shd attempt obtain receipt for such removals signed by officer removing.

ACHESON

The Secretary of State to the Consul at Tsingtao (Hawthorne)

WASHINGTON, July 1, 1949—7 p.m.

178. Dept approves action described urteil 274 June 18. In opinion Dept however desirable avoid use even in unsigned memo terms “People’s Army and Govt” in order obviate possible attempt Commies infer US recognition. Suggest any Commie agencies be referred to by ConGen simply as Chinese Communists.25

ACHESON

The Consul at Tsingtao (Hawthorne) to the Secretary of State

TSINGTAO, July 2, 1949—10 p.m.

[Received July 2—11:09 a.m.]

307. Three Chinese staff members of Consulate General residing at 1 Kwangsi Road yesterday ordered by military vacate premises. Remytel 302, June 30, will report soon as possible quantity and current market value fuel taken by military. Repeated Nanking 213, Shanghai 129.

HAWTHORNE

The Consul at Tsingtao (Hawthorne) to the Secretary of State

TSINGTAO, July 5, 1949—4 p.m.

[Received July 10—1:47 p.m.]

318. By unsigned memo July 2 protested to Foreign Affairs section Military Control Board against removal fuel and requested detailed receipt from responsible officer but not hopeful results (rDepTel 177, July 1). For Department’s information, our records indicate follow-

25 See also telegram No. 98, May 13, 2 p.m., to the Consul General at Tientsin, p. 1082.
ing property taken (figures representing current market values in US dollars):
157 drums kerosene valued $11,932; 424 drums luboil valued $44,944;
321 drums gas valued $26,001; 147 cans axle grease valued $220.50;
100 drums mixture gas and kerosene valued $4,000; 31,400 gallons
diesel valued $12,000; total value $99,097.50.
For Department's further information, Consulate General actually
purchased direct or through Department above property to total value
only $5,310 (including kerosene purchases for commissary valued
$1,055). Other property transferred from Navy nonreimbursable
basis.
Sent Department 316; repeated Nanking 216.

HAWTHORNE

125.9331/7-749: Telegram

The Secretary of State to the Consul at Tsingtao (Hawthorne)

WASHINGTON, July 7, 1949—9 p.m.

184. Dept assures ConGen has protested to local Aliens Affairs
Office re order vacate premises nr 1 Kwangsi Road (urteil 307, July 2).
US Govt has only provisional title this property. However ConGen
should inform Commie auths property is regarded as US Govt owned.

ACHESON

125.9332: Telegram

The Consul at Tsingtao (Hawthorne) to the Secretary of State

TSINGTAO, July 9, 1949—10 a.m.
[Received July 9—2:30 a.m.]

324. Under my instructions Chinese member ConGen's staff
eyesterday called on Yang of Foreign Affairs section. He said memo
protesting removal fuel (remytel 316, July 5) was found in order and
accepted. He expressed doubt receipt would be issued but reiterated
military would keep accurate record property taken and of consump-
tion fuel if any.

He said he had personally seen Bender and Smith end May and
that they were safe and well, adding he doubts negotiations for their
release can be opened before diplomatic relations established (reDeptel
156, June 4). Remytel 320, July 8,"4 Department may wish appro-
priately advise Mrs. Smith.

Yang desires it understood he speaking as individual, not officially.
Sent Department; repeated Nanking as 220, Shanghai as 134.

HAWTHORNE

*4 Not printed.
352-963—78—72
The Consul at Tsingtao (Hawthorne) to the Secretary of State

Tsingtao, July 9, 1949—11 a.m.
[Received July 9—7:41 a.m.]

325. Chinese staff not actually evicted from 1 Kwangsi Road till yesterday, when Consul Général protested by unsigned memo (re Deptel 184, July 7). Memo of June 13 protesting against occupation informed Communists property US Government-owned (re mytel 261, that date).

Sent Department 325; repeated Nanking 222.

HAWTHORNE

The Consul General at Hankow (Callanan) to the Secretary of State

Hankow, July 15, 1949.
[Received July 15—7:01 a.m.]

210. Director Foreign Affairs Bureau summoned Pao 75 his office this morning and verbally gave order issued by WMCC 76 to stop all functions USIS 77 1 p.m. today. No reasons for action given other than military situation. Copy of order refused but USIS interpreter allowed on request take down order as dictated. Order observed but will endeavor arrange resume some functions. Complete details upcoming. 78

Sent Department 210, repeated Nanking 166, OffEmb Canton 99.

CALLANAN

The Consul General at Hankow (Callanan) to the Secretary of State

Hankow, July 18, 1949—10 a.m.
[Received 10:30 a.m.]

214. Reur 42, July 15. 79 All USIE 80 activities have ceased 1300 hours July 15. Any other course foolhardy. There is no law other than the Wuhan Military Control Commission. Exploring possibilities re-

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75 Chinese news editor of USIS.
76 Wuhan Military Control Commission.
77 United States Information Service.
78 See telegram No. 1420, July 15, 7 p.m., to the Consul General at Shanghai, p. 1234.
79 United States Information and Educational Program.
restricted activities but unoptimistic. Hudson\textsuperscript{61} was not permitted even discuss matter (mytel 211, July 16\textsuperscript{62}) and foregone conclusion protests would be rejected. Reference suggested protest ground (1) local authorities do not recognize existence Consulate here and admit no authority in me to submit anything in official capacity. They have consistently refused accept representations from me or British or French colleagues.

USIE locals on leave with pay except few to aid Pao and assist putting things in order.

No suggestions re Department's statement and VOA publicity.

Sent Department 214; repeated Nanking 671, Embassy Canton 102.

\textbf{CALLANAN}

\textsuperscript{61} Harry S. Hudson, Vice Consul at Hankow.

\textsuperscript{62} Not printed.

\textsuperscript{63} See telegram No. 1420, July 15, 7 p. m., to the Consul General at Shanghai, p. 1234.

\textsuperscript{64} Foreign Affairs Bureau.
125.4556/7-2049: Telegram.

The Consul General at Hankow (Callanan) to the Secretary of State

HANKOW, July 20, 1949—10 a.m.
[Received July 21—11:06 a.m.]

221. Mytel 217. Our written protest returned without comment yesterday. Today following received from WMCC addressed USIS Hankow:

"The USIS is a part of the organization of the State Department of the US. Since the People's Government has no diplomatic and consular relations with the US, the USIS should from today stop its activities, including the printing and distribution of news releases, the exhibition and donation of books and newspapers, the posting of posters, the showing of movies, the giving of concerts, and all other outside activities.

You are requested to obey accordingly and not to contravene."

Document bears chops WMCC director and deputy.
Sent Department, repeated Nanking 179, OffEmb Canton 109, Shanghai 100.

CALLANAN

893.6363/7-2549: Telegram

The Consul at Tsingtao (Hawthorne) to the Secretary of State

TSINGTAO, July 25, 1949—2 p.m.
[Received July 25—1:26 p.m.]

369. Re third paragraph Depcirtel July 13. Caltex experienced labor trouble when attempted discharge five coolies.

Coolies manhandled American district manager and demanded year's salary. Company finally agreed pay 6 months' salary which acceptable to employees but not to labor union. Case unsettled.

Well-informed foreign banker predicts collapse People's Notes within 3 months.

Small quantities Russian poor quality gas entering Chefoo. Buses operating between here and Chefoo losing minimum 7,000 PN per trip basis cost fuel alone.

Sent Nanking 233, repeated Department 369, Shanghai 146.

HAWTHORNE

55 Not printed.
56 California Texas Oil Co., Ltd.
The Consul General at Hankow (Callanan) to the Secretary of State

HANKOW, July 29, 1949—10 a. m.  [Received July 31—1:52 p. m.]

235. Recent developments (mytel 197 to Department June 29):

Status foreigners: No travel regulations issued, no permits granted though some requests 2 months old. Large sign placed wall British Consulate compound translates "Chinese and Japanese people unite, oppose long American occupation Japan". British Consul General requested authorities remove sign, letter returned without comment and sign remains. Communist teams of 4 or 5 usually including 1 or 2 uniformed women going rounds foreign firms questioning foreigners re work, economic conditions, Chinese friends, hobbies, etc. Consulate not approached so far.

Attitude to US: New China News Agency version Olive case published here and Shanghai Liberal Daily editorial July 10 was copied. No other mention except editorial July 14 in Ta Kang Pao on general subject foreign residents problems, referring also to [Shanghai Evening] Post and Mercury, theme equal treatment all.

Ta Kang Pao July 24 published so-called refutation dated Peiping July 22 of Assistant Secretary Allen's USIS statement.

USIS suspension regretted verbally by some regular users. Since closure papers, books, magazines, taken by military guards from persons entering and memo protesting and asking that borrowed items be permitted return library was returned without comment. Guards question employees [and] other Chinese entering building.

General: Large troop movements southward through here recent weeks mostly nocturnal, latterly rumored including troops Fu Tso-yi. Feeling of people in general seems rude awakening those who welcomed change and justification those opposed. Discontent at failure rosy Communist picture materialize rapidly said so keen even return disdained Nationalists be welcome.

Sent Department 235, repeated Nanking 185, OffEmb Canton 115.

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Callanan

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87 William M. Olive, Vice Consul at Shanghai; for documentation on his case, see pp. 1135 ff.
88 For statement by Assistant Secretary of State George V. Allen, see Department of State Bulletin, August 1, 1949, p. 152.
89 Former Chinese Commander in North China who remained in Peiping after Chinese Communist occupation.
125.853/7-2949: Telegram

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

NANKING, July 29, 1949—3 p.m.
[Received July 29—10:20 a.m.]

1642. In view impossibility effective representation for protection American interests, possible future hardship and danger for staff and probable impossibility sending replacements from outside Commie China prior to recognition, recommend consideration be given to closing Tsingtao and Hankow now and Canton when threatened by Commies. (See Embtel 1639, July 28 26) Tsingtao now of relatively little importance either from point of reporting or American interests. Hankow more important, but unless replacement can be sent for Callanan within reasonable time and junior language officer assigned from Peiping to permit increase reporting output, we see no advantage to retaining office there. Canton could be closed at time Embassy office withdraws to Hong King in face Commie advance and its reporting functions assumed by one or two officers, preferably Chinese language, assigned Hong Kong with sole duty procuring, analyzing and reporting information on developments South China.

If Department decides to close offices in Commie China, Embassy requests that male personnel these offices suitable for code and file work, disbursing officer, and guards be transferred Nanking since very unlikely personnel assigned Nanking but not arrived will be permitted entry.

If Department decides against closing ConGen Canton ahead of Commie occupation and despite recent experiences our Consulates elsewhere Commie-occupation areas, then recommend, in addition to above, that our personnel now Hong Kong (Scott, Carter, Vasque, Ryan and Clore en route Nanking and Dawson returning to Shanghai from leave and Finnegan now in Canton) move to Canton immediately so they can be captured with city and proceed Nanking and Shanghai when transportation Canton to north reopens.

Sent Department 1642, repeated Shanghai 914, Canton 691.

STUART

893.01/8-349: Telegram

The Consul at Tsingtao (Hawthorne) to the Secretary of State

TSINGTAO, August 8, 1949—noon.
[Received August 3—8:44 a.m.]

394. Reference Depcirtel June 22. 21 Basis persistent local propaganda dispensed meetings inhabitants required attend, not believed

26 Post, p. 1304.
21 Not printed; it summarized situation of Embassy and Consular establishments in China for information of the various posts in China (893.01/6-2249).
Consulates in Occupied Areas

Communists either desire or expect US Government recognition. Nor are they believed interested trade with US. Anti-American propaganda awakening latent anti-foreign feeling masses and may result physical violence against Americans [and] other occidentals. Expected key members ConGen's Chinese staff will eventually be forced resign severing only contact ConGen has with Foreign Affairs Section, since officials refuse see me. Except for most fanatic missionaries, believed all local Americans would gladly withdraw if possible and that Communists would welcome their departure. As previously reported, believe we will gradually lose all government property acquired under surplus property agreement and may be impossible obtain other office quarters or to transfer radio station.

Under circumstances we wonder whether continued maintenance this ConGen will serve useful purpose.

Sent Department 394; repeated Nanking 222.

Hawthorne

893.01/8-349: Telegram
The Secretary of State to the Consul at Tsingtao (Hawthorne)

WASHINGTON, August 12, 1949—6 p.m.

235. Reurtel 394, Aug 3. Dept has well to fore difficult position ur office and is giving entire question continuing consideration.

Pls inform what travel facilities, rail or ship, wld likely be available for withdrawal Amers generally from ur district, for our reference in case decision later made to close Consulate. Also report situation re exit permits.

Acheson

125.853/8-1549: Telegram
The Counselor of Embassy in China (Jones) to the Secretary of State

Nanking, August 15, 1949—3 p.m.

[Received August 15—11:12 a.m.]

1793. Tsingtao's 394, August 3, to Department indicates Commies may be giving special emphasis anti-US propaganda that city because of previous presence US Navy there. Reftel lends weight to our recommendation (Embtel 1642, July 29) ConGen be closed.

Jones

Agreement between the United States and China for the sale of certain surplus war property, signed at Shanghai, August 30, 1946; Department of State, Office of the Foreign Liquidation Commissioner, Report to Congress on Foreign Surplus Disposal, October 1946, pp. 40–45.
WASHINGTON, August 15, 1949—6 p.m.

56. Dept has decided close ConGen Hankow view impossibility effective representation for protection Amer interests, possible future hardship for staff and probable impossibility sending staff replacements from outside, supplying and communicating with post. Actual closing date subject future decision. However, Dept of opinion closure shld be timed with departure those Amcits[izen]s desiring leave China on any evacuation ship or ships from Shanghai (Deptel 45 Jul 26 a). In meantime ConGen shld take steps preparatory closing and shld notify Amcits in ur district availability ConGen assist extent possible those desiring leave and confidentially advise likelihood closure fol completion evacuation. Amcits desiring leave shld be advised make prompt arrangements obtain exit permits enable them depart Shanghai possible evacuation ship about which you will be kept informed, or via north China. Dept desires ur recommendations re disposition Govt property Hankow. Travel orders and admin instr[uction]s subject separate tels.

ACHESON

393.1115/8–1849: Telegram

The Consul General at Hankow (Callanan) to the Secretary of State

HANKOW, August 18, 1949—11 a.m.
[Received 12:38 p.m.]

271. Deptel 56, August 15. Appears little possibility people this area reaching Shanghai for evacuation mid-September since (1) no travel regulations yet issued and no foreigner yet permitted leave Wuhan and (2) sailings Hankow–Shanghai irregular and danger of attack river steamers considerable.

At least 20 travel applications business people made to Foreign Affairs Bureau but no results yet. Other hand few missionaries other than those due furlough yet felt urge depart.

If closure likelihood mentioned in letters re evacuation to Americans, and it must be, news will be out. Propose send letters next week. Approval requested.

Sent Department 271, Department pass Nanking 211, Shanghai 118, from Hankow.

CALLANAN

a See vol. ix, p. 1274, footnote 7.
CONSULATES IN OCCUPIED AREAS

102.22/8-2249: Telegram

The Consul at Tsingtao (Hawthorne) to the Secretary of State

Tsingtao, August 22, 1949—11 a.m.

[Received August 22—4:34 a.m.]

448. Communists recently questioned certain Chinese formerly employed by US Navy here. All released against shop guarantees but told because connected foreign military forces they must be reeducated. Some objected, saying they were coolies and pointing out Chinese continued to be employed by ConGen. Communists replied such Chinese spies, for whom they have separate program.

Such news most disquieting ConGen’s Chinese staff. Department pass Nanking its discretion.

Hawthorne:

393.1115/8-1849: Telegram

The Secretary of State to the Consul General at Hankow (Callanan)

WASHINGTON, August 23, 1949—7 p.m.

66. Reurtel 271 Aug 18, rptd Nanking 211, Shanghai 118. Despite present unfavorable outlook for travel and issuance exit permits, you shld proceed with notification Amers and preparations closure office. Since there appears no prospect early amelioration of situation, requests for travel permits shld be pressed in endeavor secure departure earliest possible date Amers wishing to leave. What steamer travel Hankow-Nanking is available and wld request of Natl Govt for safe passage vessel to Nanking be necessary?

FYI,\(^2\) APL \(^5\) agent Shanghai in response demand Amers other foreigners shipping space has announced Gen Gordon can call Shanghai mid-Sep.\(^3\) Foreigners there now applying exit permits, few of which issued to date. APL agent states Commie auths have agreed entry of vessel but wish more info passengers and freight. FonOff Canton has informed EmbOff no objection call of evacuation vessel Shanghai to take on passengers. Assuming no hitch in permits for entry vessel from Nats and Commies, chief question is whether number exit permits granted will be sufficient warrant vessel’s call. Hope is to have further vessels, possibly including coastal steamers from Hong Kong, visit Shanghai this purpose.

Acheson

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\(^2\) For your Information.
\(^5\) American President Lines.
\(^3\) See telegram No. 2946, July 28, 7 p.m., from the Consul at Shanghai, vol. ix, p. 1276.
Hankow, August 26, 1949—11 a. m.
[Received 1:21 p. m.]

281. Deptel 66, August 23, 7 p. m. Am cautiously informing Americans likelihood closure. Before definite announcement of intention, wish Department appreciate (1) effect on staff and (2) possibility reaction by authorities. Re (1) under existing conditions “local” staff becomes predatory when dismissal looms, outside influence partly blameable. Despite optimism mytel 277, August 22, noon, USIS staff reasserts demand 4 months’ severance pay, insisting with some justice because work is scarce and recalling stigma they bear results service with US. Believe they will agree accept not less than granted Shanghai which they still claiming. Same time if closure plan known they will expect basis not less than accorded Consulate staff, though this will be mainly controlled by seniority sliding scale. Assume complete records supplemented by mytel 263, August 15, noon, in Department for retirement senior Chinese. Important be able assure prompt payment annuities where applicable and proper severance for senior employees not pensionable. With closure planned, layoffs as per staff reduction not feasible and all will expect pay until closure date. I recommend Richard Lee should be retained reduced basis after closing as overseer equipment and US-owned compound. After actual closure several staff will be retained for final work estimated 2 weeks. October 1 appears good closure date, not earlier.

Movement citizens need have no bearing closure date as we powerless to help them now with anything more than advice.

Re (2), with actual closure radio stops necessarily but no assurances authorities will not move when closure intention known. Presuming confidential files to be burned, I request authority burn noncurrent files now. It should also be kept in mind that when and if I am permitted depart probably will not be permitted carry un inspected accounts or other official documents. Official attitude to Consulate appears hardening. Visitors French Consulate have been frisked and last evening about 9 clerk Huso was refused egress this building, he having apartment herein.

Re dismissals, I want direct and realistic approach. Situation loaded against us and might produce more than much unpleasantness and not worth saving few hundred dollars. May say after strain of past months, especially last 3, our nerves unlikely equal to wrangle with staff over separation.

Sent Department 281, passed Nanking 220, Shanghai 122.

CALLANAN

**Not printed.**
CONSULATES IN OCCUPIED AREAS

125.9331/8-3049: Telegram

The Consul at Tsingtao (Hawthorne) to the Secretary of State

TSINGTAO, August 30, 1949—10 a.m.
[Received August 30—3:21 a.m.]

459. ReDepcirtel August 26.88 Estimated land taxes US Government properties Tsingtao reported mytel 424, August 11.89 As reported mytel 402, August 2,89 house taxes nominal. Now have good reason believe house tax bill mentioned that telegram deliberately submitted in name former owner. Also that Communists will not press for payment taxes US Government properties here for present. Despite violent anti-American propaganda, high level Communists here apparently hopeful eventual establishment diplomatic relations with US, when ownership properties purchased from Kmt Government under surplus property agreement will definitely be questioned. Meantime they do not wish recognize ownership such properties by collecting taxes from ConGen.

Department pass Nanking its discretion.

Hawthorne

125.455/9-149: Telegram

The Secretary of State to the Ambassador in the United Kingdom (Douglas)1

WASHINGTON, September 1, 1949—7 p.m.

3161. If UK agrees request contained Deptel 3067 Aug 26 90 pls ascertain soonest if FonOff objects immed release to press of fol:

"Dept State today announced Amer ConGen Hankow instructed close and withdraw all personnel and that staffs AmEmb Nanking and Amer ConGen Shanghai to be reduced about one-half. Reductions will be carried out when arrangements completed for transportation from China Amers and other foreigners who wish depart.

Decision take these actions based upon same factors which led decision close Amer ConGen Canton.2

Through generous agreement Brit Govt, custody US official property in areas China in which Amer con[sular] estab[lishment]s are closed will be assumed by local Brit Con, which will also extend to Amer cits same protection afforded Brit subjects. Local Amer communities will form committees with which Brit Con offices will deal in routine matters affecting Amer natls in order that added burdens imposed upon Brit officers will be no greater than necessary.

88 Ante, p. 1104.
89 Not printed.
1 Repeated to the Consul General at Hankow as No. 77.
2 See telegram telCan No. 553, August 12, 3 p. m., to the Chargé in China, p. 1313.
These arrangements already in effect Canton and Tihwa consular districts and will take effect Hankow district when Amer Con estab that city closed.

Shld other Amer Con estabs China be confronted by situation similar to that which led decision close Amer ConGen Canton, it expected such estabs will also be closed and custody US official property and protection Amer natls be assumed by local Brit Con."⁴

Repeated Hankow for comment text and timing.⁵

ACHESON

125.4553/9-349; Telegram

The Consul General at Hankow (Callanan) to the Secretary of State

HANKOW, September 3, 1949—noon.
[Received September 3—7:06 a.m.]

307. Departial August 19, 2 a. m.⁶ Twelve USIS staff terminated C.O.B.⁷ today with 3 months’ severance pay. No direct threat to security American personnel but it was clearly intimated that failure of settlement would result in picketing our radio. Also failure make quick settlement now would likely have resulted refusal payment and demand salary payment during subsequent period negotiation which could easily exceed month and possibly involve greater final demands at close of period.

Most important is that matter kept out of hands local authorities. Also hoped this sets pattern severance regular staff, leaving room above 3 months’ severance pay for just payments those between 5 and 20 years service of whom there are several. Furthermore, impossible proceed preparations and separation regular staff with this matter dangling. Chief radio operator King Chao transferred September 3 C.O.B. to regular payroll from USIS payroll.

Sent Department 307, repeated Nanking 239; Shanghai 129.

[CALLANAN]

⁴ In telegram No. 3547, September 2, 6 p. m., the Chargé in the United Kingdom stated: “Foreign Office has no objection immediate release of statement. Will be released also by Foreign Office as soon as news of release in US received on ticker.” (701.4198/9-249)

⁶ Telegram No. 315, September 7, 11 a. m., from the Consul General at Hankow, indicated no objection to statement for immediate release (125.455/9-49). Text was released to press on September 9; see Department of State Bulletin, September 19, 1949, p. 442.

⁷ Not printed; it concerned severance pay (120.61/8-1949).

⁸ Close of business.
The Consul at Tsingtao (Hawthorne) to the Secretary of State

TSINGTAO, September 6, 1949—10 a.m.
[Received September 6—6:12 a.m.]

476. Re mytel 471, September 2.° Norwegian acting manager Standard Oil Company has transferred firm's interests to committee Chinese employees and will depart when possible. Believed Asiatic Petroleum Company, British, would also withdraw foreign staff except for current controversy with labor union re payment provident fund former Chinese employees.

British manager Hong Kong [and] Shanghai Bank, only foreign bank here, has informed principals his intention withdraw even if this should involve closing bank and/or his dismissal after over 25 years' service.

BAT° cigarette factory employing 6 Americans, 3 of them departing on premature home leave when possible, suffering heavy financial losses and will doubtless be forced close when 3 months' stocks exhausted if not before. Communists obviously plan monopolize cigarette industry, to create which expected sell tax free cigarettes while inspiring labor trouble in BAT plant.

Well-informed Chinese businessman convinced Communist policy is to freeze out all foreign interests through excessive taxation. Even Soviets becoming increasingly unhappy and many have left or are endeavoring leave for Manchuria. Average Chinese has also been disillusioned but expected remain apathetic.

Department pass Nanking its discretion.

HAWTHORNE

125,9532: Telegram

The Consul at Tsingtao (Hawthorne) to the Secretary of State

TSINGTAO, September 7, 1949—10 a.m.
[Received September 7—8:30 a.m.]

481. Re mytels 316, July 5, reporting loss fuel stockpile, 394, July 30 [August 31], reporting certain present and anticipated difficulties of ConGen, and 459, August 30, re Communists' attitude toward US Government property.

Believe it will be impossible obtain fuel for office and residences for coming winter absence some sort recognition or agreement on high level, if factories given preference in purchasing fuel. Any case diesel will not be available for heating ConGen and house at 1 First Taiping

° Not printed.
° British-American Tobacco Co., Ltd.
Church Road and heating systems these properties must be converted to coal, but Department seems reluctant grant even $100 for repair upkeep Government buildings (see mytel 356, July 21\textsuperscript{19} which, together with all other telegrams requesting additional funds, remains unanswered). Without such recognition or agreement believe US Government properties will be taken over in not distant future. Also that it will continue to be impossible for ConGen contact any responsible Communist official [garble] departure Americans who have resigned or have been granted premature home leave. Owing present conditions, American business community will consist of 4 men, none representing American firms.

Morale my American staff suffering from general feeling frustration, shared by me, departures personnel other friends and narrowing recreational facilities.

Department pass Nanking its discretion.

\textbf{Hawthorne}

\textit{893.6363/9–849 : Telegram}

\textit{The Consul at Tsingtao (Hawthorne) to the Secretary of State}

\textit{Tsingtao, September 8, 1949—11 a.m.}

[Received September 8—7:47 a. m.]

483. Remytel 476, September 6. Faber Hospital, only hospital offering anything like modern, sanitary, medical, surgical facilities, faced with early closure owing Communist taxation. Hospital established by Germans prior to First World War and since that was maintained in part by donations from local foreign nationals and firms, which contributions can no longer be expected.

Department pass Nanking its discretion.

\textbf{Hawthorne}

\textit{125.9353/9–949 : Telegram}

\textit{The Secretary of State to the Consul at Tsingtao (Hawthorne)}

\textit{Washington, September 9, 1949—9 p.m.}

265. Reurtel 481, Sept. 7. In view conditions reported tel 481, Sept. 7 and independent considerations Dept has decided close ur post as soon as possible obtain exit permits American members ur staff and neces-\textsuperscript{20} Not printed.
sary closing arrangements made. Recommend Dept disposition Govt property.
While no public announcement being made to press, you should take preparatory steps notify Amer cits ur District availability ConGen assist extent possible those desiring depart and confidentially advise of closure.
Travel orders and admin instrs subject separate tel upon receipt ur recommendations.
Dept taking up with Brit Govt question informal representation Amer interest ur Cons district upon closure.

ACHESON

125.953/9-1049: Telegram
The Consul at Tsingtao (Hawthorne) to the Secretary of State

Tsingtao, September 10, 1949—noon,
[Received September 10—4:59 a.m.]

493. Lest Department misunderstand certain recent telegrams from ConGen, we hasten assure Department we are not only willing but anxious remain at post so long Department feels usefulness our activities, now largely restricted telegraphic reporting, warrant continued expenditure necessary Government funds.
Department pass Nanking its discretion.

HAWTHORNE

125.953/9-1449: Telegram
The Consul at Tsingtao (Hawthorne) to the Secretary of State

Tsingtao, September 14, 1949—11 a.m.,
[Received September 14—5:18 a.m.]

503. K. Y. Liu, interpreter this Consulate General, arrested last night ostensibly because misstatements in application for bicycle li-
cense. Actually expected he will be questioned at length regarding personalities, activities all members Consulate General’s staff. Needless say, Liu has had access to no classified material.
View long development please expedite issuance administrative instructions regarding closure post, pending receipt which no ad-
vice being given American citizens for fear radio station may be closed when our intentions become known.

HAWTHORNE
702.4193/9-2249 : Telegram
The Acting Secretary of State to the Consul General at Hankow (Callanan)

WASHINGTON, September 22, 1949—7 p.m.
92. Fol insts supplement those contained Deptel 74, Sept 1\textsuperscript{11} and previous.

I. Brit have agreed afford US cits Hankow protection (Deptel 2961 Aug 18 to London\textsuperscript{12} sent Hankow 62). Specifically Dept has asked Brit perform fol services for Amcits: Financial assistance; welfare whereabouts; in case physical danger or distress render all possible assistance persons previously documented as Amcits; reports of death; conservation personal property; reports of birth upon request; notarials on an accommodation basis. Will require no visa or passport services.

[Here follow detailed instructions.]

WEBB

702.4193/9-2349 : Telegram
The Counselor of Embassy in China (Jones) to the Secretary of State

NANKING, September 23, 1949—4 p.m.
[Received September 23—11:10 a.m.]

2162. Deptel 1121, September 20.\textsuperscript{11} British Embassy has advised that on or before September 14 requested Foreign Office authority issue instructions to Hankow Consulate General regarding custody US property and protection American citizens on same lines instructions already issued British Consulates Kunming, Chungking and Canton.

JONES

125.4553/9-3049 : Telegram
The Consul General at Hankow (Callanan) to the Secretary of State

HANKOW, September 30, 1949.
[Received September 30—8 : 39 a.m.]

363. This is last message, transmitter and receiver closing down today. ConGen closing October 1. Department please inform all China posts.

CALLANAN

\textsuperscript{11} Not printed.
\textsuperscript{12} Post, p. 1820.
CONSULATES IN OCCUPIED AREAS

125.953/9-3649 : Telegram

The Acting Secretary of State to the Consul at Tsingtao (Hawthorne)

WASHINGTON, September 30, 1949—6 p. m.


WEBB

125.953/10–249 : Telegram

The Consul at Tsingtao (Hawthorne) to the Secretary of State

TSINGTAO, October 2, 1949—2 p. m.
[Received October 3—4:06 a. m.]

536. ReDeptel 298, September 30. Impossible apply exit permits till October 5, date set foreign registration American staff with local police. Applications will be made then or as soon thereafter as possible. Consulate General will be closed c.o.b. October 15, which earliest possible. When and how we expect depart will be reported soonest.

HAWTHORNE

125.953/10–1249 : Telegram

The Consul at Tsingtao (Hawthorne) to the Secretary of State

TSINGTAO, October 12, 1949—4 p. m.
[Received 11:53 p. m.]

560. ConGen’s American staff expect learn action taken on their applications for exit permits October 24. Although ConGen officially closing October 15, will then maintain radio contact until eve actual departure, which will likely be by ship for Hong Kong.

Department may wish inform NY office Standard Oil [that] George Sevaldson, Norwegian, until recently charge company’s Tsingtao interests, has been trying since August 28 obtain exit permit. No reason given for nonissuance.

HAWTHORNE

13 Not printed.
The Consul at Tsingtao (Hawthorne) to the Secretary of State

TsINGTAO, October 16, 1949—2 p.m.
[Received October 16—3:14 a.m.]

570. ReDeptl circular 46, October 14. Consult General by informal memo October 15 informed Communists of closure Consulate that date and of handing over to British. Memo returned with oral statement it unacceptable (1) because Communist government affords protection foreign property and nationals and (2) other is no recognized British representative.

Nevertheless, shall try complete turnover British and laying off staff soon as replies mytels 537 and 546 received.

[HAWTHORNE]

The Secretary of State to the Consul at Tsingtao (Hawthorne)

WASHINGTON, October 18, 1949—5 p.m.

319. Brit FonOff has asked Brit Emb Nanking ensure appropriate arrangements made for assumption US interests in cases where Brit US consular districts do not coincide. Upon turnover lists Amcits (para XI [II], Depcirtel Sept 14, 7 a.m.) discuss with Brit to ensure no Amcits property ur district left unprotected by reason differences consular districts. Dept realizes (urtel 570, Oct 16) Brit may be able afford little if any protection.

ACHESON

The Consul at Tsingtao (Hawthorne) to the Secretary of State

TsINGTAO, October 29, 1949—9 a.m.
[Received October 29—2:52 a.m.]

594. [Garble] Remytel 591, October 28. Called to Foreign Affairs section MCC 28th, 3 p.m. Informed Communists do not recognize our title to real properties here acquired under surplus property agreement and they propose takeover such properties. Requested furnish separate inventories all movable property each building belonging to former Consulate General and to former owners. Former will not be confiscated if Communists satisfied as to ownership. Replied I no longer...
have custody such properties, custody which turned over to British but this unacceptable. Also requested furnish inventories personal effects American staff. Told that when these demands complied with exit permits will be issued immediately. See no alternative to compliance.

British Consul General informed but no action by him, possible view nonrecognition his status as custodian or as Consul General.

Last radio contact will be at 0700 GMT 19 November 1. Will report on arrival Hong Kong.

HAWTHORNE

125.9531/10–2949: Telegram

_The Secretary of State to the Consul at Tsingtao (Hawthorne)_

WASHINGTON, October 29, 1949—4 p.m.

328. Urtel 594 October 29. Advise Commies that US, a sovereign nation, owns property, both moveable and immoveable, in full ownership and cannot recognize Commie claims thereto. State further that property acquired under surplus property agreement was acquired under internatl agreement by the sovereign US, that properties so acquired are not subject to confiscation by Commies as acquisition was in accord with laws China and International Law and that US expects Commies to recognize our rights of ownership and that US will insist on receiving full compensation if these rights are not fully respected. Also advise Commies that departure Am personnel not to be considered abandonment since Brit have been requested handle US interests Tsingtao Cons Dist.

You may provide Commies with an inventory of property appending thereto a statement identifying the properties acquired under surplus property agreement. Send copies of such material to Dept and to Brit ConGen, Tsingtao and request him to deliver copy to Commies representing US interests. Endeavor bring out copy.

Suggest you continue radio contact if this matter likely complicate your departure. Tell Dept when last message sent.

ACHÉSÓN

125.9531/10–2949: Telegram

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

WASHINGTON, November 1, 1949—7 p.m.

759. Fol tel recd from Tsingtao as 594, Oct 29. [Here follows text of telegram printed on page 1148.]

19 Greenwich Mean Time.
Fol tel sent Tsingtao, Oct 29. [Here follows text of telegram No. 328, printed supra.]

You are instructed to enter protest along lines Deptel to Tsingtao with appropriate Commie auths in manner you deem most effective and inform Dept when protest made and substance conversation or text protest if written.

ACHESON

125.9531/11-249 : Telegram

The Consul at Tsingtao (Hawthorne) to the Secretary of State

TSINGTAO, November 2, 1949—3 p.m.
[Received November 2—5:59 a.m.]

603. Today handed Foreign Affairs section MCC memo drafted compliance first paragraph Deptel 328, October 29. Yang in my presence phoned gist memo to chairman MCC who informed Yang memo unacceptable. MCC also refused accept inventories US Govt property from British whose custodian recognized. At insistence MCC such inventories delivered by me.

HAWTHORNE

125.9531/11-549 : Telegram

The Consul at Tsingtao (Hawthorne) to the Secretary of State

TSINGTAO, November 5, 1949—11 a.m.
[Received November 5—3:50 a.m.]

604. Called at Foreign Affairs section MCC today re exit permits. Yang repeated they will definitely be granted, that his office has reported to MCC re question properties but that MCC has referred question to Peiping. This may indicate my memorandum November 2 not ignored. Suggest US Embassy be instructed make similar representations Peiping.

While exit permits delayed pending reply from Peiping on property, Yang expressed opinion we should be able leave by December 1 absence new developments unforeseen by him. Therefore desire bookings 5 adults, including 1 lady, and such effects as we allowed to take in ship mentioned Deptel 332, November 3.\(^*\)

HAWTHORNE

\(^*\) Not printed.
The Consul at Tsingtao (Hawthorne) to the Secretary of State

TSINGTAO, November 7, 1949.
[Received November 7—3:12 a.m.]

605. ReDeptel 333, November 4.21 Consulate General officially closed and final accounts submitted as of October 15. Funds may be remitted through New York office Hong Kong and Shanghai Banking Corporation.

HAWTHORNE

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

PEIPING, November 8, 1949.
[Received November 9—1:41 a.m.]

1943. Following is text letter November 8 22 re American Government real property Tsingtao:

"Under instructions of my Government, I would inform you that the American Consulate General at Tsingtao was informed by the Tsingtao Aliens Affairs Office on October 28, 1949 that the local authorities did not recognize the American title to real property acquired at that place by the United States Government under the surplus property agreement, and proposed to take over such property. The United States possesses the real property in question in full ownership in the capacity of a sovereign nation and cannot recognize the claim thereto set forth by the Tsingtao authorities.

"The property in question was acquired by the United States Government under terms of an international agreement, the surplus property agreement, and, the acquisition being in accord with the laws of China and international law, such properties are not subject to confiscation. The United States, therefore, expects the concerned authorities to respect the United States Government's rights [of] ownership. If such rights are not fully respected, the United States Government will insist on full compensation. As you were informed in my letter of November 3, 1949,23 the American consular office at Tsingtao is about to close. The departure of American personnel, however, is not to be considered abandonment of United States Government property interests. The concerned British consular office has been requested to handle United States interests in the Tsingtao consular district.

"Your attention is invited to the serious nature of the action taken by the Tsingtao authorities aiming at the confiscation of United States Government real property obtained in accordance with the laws of China and international law, and it is requested that you cause

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21 Not printed.
23 See telegram No. 1910, November 4, from the Consul General at Peiping, p. 1000.
an appropriate investigation to be made to the end that such threat of
confiscation shall be promptly withdrawn."

Sent Department; repeated Nanking 1150, Shanghai 1161, to Tien-
tsin by mail.

CLUBB

125.9531/11-1449: Telegram

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

Peiping, November 14, 1949—4 p.m.
[Received November 15—2:55 a.m.]

1999. Re Contel 1941 [1943], November 8. Letter November 8 to
Chou En-lai re Tsingtao property returned by mail today without
acknowledgment or comment.

For reference, please inform Peiping any developments favorable
or otherwise re matter.


CLUBB

125.953/11-549: Telegram

The Secretary of State to the Consul at Tsingtao (Hawthorne) 24

Washington, November 18, 1949—7 p.m.

340. Dept booking passage on Pacific Transport as requested urtel
604 Nov 5. Ship scheduled arrive Tsingtao between Dec 6 and 8,
therefore proceeding Japan. Date subj change in event appears necessary
or desirable. As ship will carry with army approval some US Army
cargo, and otherwise to assure safe passage, Dept requests Strong make
appropriate representations FonOff for safe conduct Tsingtao. Strong
shld inform FonOff sole reason for diversion Tsingtao is to evacuate
AmConsul staff and personal effects, and there will be no cargo off-
loaded or unloaded. Suggest Tsingtao inform Commie auth expected
arrival ship. Keep Dept informed develop ur exit permits. If permits
unreel by time Pacific Transport departs Taiwan, doubt whether prac-
ticable effect diversion.

ACHESON

24 Repeated to the Chargé in China (Strong) as telCan No. 764 and to the
Consul General at Hong Kong as No. 1389.
CONSULATES IN OCCUPIED AREAS

125.653/12-549 : Telegram

The Second Secretary of Embassy in China (Bacon) to the Secretary of State

NANKING, December 5, 1949.
[Received December 5—1:44 p.m.]
2543. Following is Tsingtao’s 50, December 5 (reEmbtel 2536 to Department December 4)*:

“Your 91, 2nd. All foreigners must now depart China from Shanghai.”

Embassy gathers from this and preceding telegrams from Tsingtao that residents Tsingtao are obliged proceed Shanghai and cannot obtain permits for exit at Tsingtao or via Tientsin.
Sent Department 2543, repeated Taipei 108, Hong Kong telCan 842.

BACON

702.4193/12-1749 : Telegram

The Second Secretary of Embassy in China (Bacon) to the Secretary of State

NANKING, December 17, 1949—11 a.m.
[Received December 17—2:40 a.m.]
2610. Under date December 1, British Pro-Consul, Tsingtao, reported by mail following to British Embassy:

“American Government property consists 5 large buildings: Consulate General’s house, port facilities, Consulate offices, officers club. Attached were 10 Chinese guards (ex-policemen) to look after property. We were expected to keep eye on properties but without any responsibility. We are free from any complications with regard properties as local authorities have taken over. ‘Might is right’ is motto of authorities and Chinese flag flies over former consulate offices.

All these 5 properties are handsome and substantial. Would seem unlikely they will be left indefinitely in Chinese hands. Properties have been ‘takenover’, guards dismissed after payment 5 months’ wages as from November 30. They appear to have had verbal contract expiring end June. Having been relieved of any cares about properties and Chinese guards, our work has been greatly lightened.”

BACON

* Not printed.
The Second Secretary of Embassy in China (Bacon) to the Secretary of State

NANKING, December 19, 1949—4 p.m.
[Received December 19—6:30 a.m.]

2618. Deptel 1295, December 15,26 On second try December 19 reached Hawthorne by phone at British ConGen. He said permits delayed because unable produce evidence 10 navy carbines used by former ConGen guards actually destroyed. Carbines in fact destroyed by burning stocks and dumping metal parts in ocean. Still expects early issuance permits. I informed him evacuation ship at Shanghai expected late this month and urged him use it as argument for prompt action. I asked whether he gets any news besides VOA and he abruptly and positively said "no". I conclude Taipei broadcast not received.

ConGen personnel still living respective homes. All 4 well and request Department inform nearest relatives. Hawthorne will send progress reports even if negative every 3 or 4 days.

Sent Department 2618; Department pass Shanghai 1281, Taipei 109.

Bacon

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

SHANGHAI, December 24, 1949—1 p.m.
[Received December 24—2:25 a.m.]

5370. Sevaldson, Tsingtao manager Standard-Vacuum, left there December 19, arrived Shanghai December 23, and reported following December 24:

Hawthorne and staff applied exit permits September 15. Mid-October authorities raised issue disposal navy carbines left with ConGen. Sevaldson claims has definite knowledge Hawthorne burned stocks, sank metal parts weapons after Communist regulations issued re registration firearms. Chinese staff ConGen reported weapons to local authorities who have persistently questioned Hawthorne re disposition in connection exit permits but not yet lodged formal charges for violation regulations. Sevaldson of opinion they will try Hawthorne in court and issue deportation order. Hawthorne unable produce evidence or witnesses of disposal. Hawthorne and staff free to move about but closely shadowed. US flag removed from ConGen about 2 weeks ago and replaced by Communist emblem. Sevaldson unaware Hawthorne has established telephone contact Nanking.

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26 Not printed.
At Hawthorne's request Sevaldson informed me Hawthorne had received information from Communist Foreign Affairs Bureau first week December that Smith-Bender safe and well, confined at (Tachiang — Great Harbor?) large Communist military base just outside Tsingtao.

Sevaldson claims all foreigners desiring exit China from Tsingtao must first proceed Shanghai. Also reports Tsingtao dead city with shops closing, large number unemployed and population yearning for return of navy and Marines.

Re Deptel 2412, December 13, Nanking telegram 2618, December 19.

Sent Department 5370; Department pass Nanking 2072.

McCONAUGHY

125.9633/12-2749: Telegram

The Second Secretary of Embassy in China (Bacon) to the Secretary of State

NANKING, December 27, 1949.

[Received December 27—1:13 p.m.]

2664. Sent Department, repeated Shanghai 1302, Tsingtao unnumbered.

"Situation unchanged. Hawthorne."
(Re Embtel 2636 to Dept, repeated Shanghai 1290, December 21. 27)

BACON

[The Consulate General at Tsingtao was officially closed on January 23, 1950, at the time of the departure of the American personnel.]

IV. SHANGHAI: CLAIMS OF EX-NAVY EMPLOYEES LEADING TO SIEGE AND OCCUPATION OF CONSULATE GENERAL FOR FEW DAYS; COLLING CASE; GOULD-MINER CASE; ARREST OF VICE CONSUL WILLIAM M. OLIVE; CLOSURE OF UNITED STATES INFORMATION SERVICE; QUESTION OF TAXATION OF PROPERTY OWNED BY UNITED STATES GOVERNMENT

893.00/3-2549: Telegram

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


[Received May 25—7:08 p.m.]

1830. Americans reached by telephone in western district report all quiet as of 7:30 p.m. No vehicles except pedicabs on street. Some

27 Not printed.
pedestrians. Some shops open. No reports of mistreatment foreigners. Numerous Communist posters already put up, many in English.

Communist radio announces all areas south and west of Soochow Creek now occupied.

Previously reported wounded foreigner in Consulate General sick bay now being treated by doctor.

Two machine gun bullets penetrated Consul General's bedroom 6th floor Glenline and numerous others hit building. Entire staff both in Glenline and other section of city O.K.

Sent Department 1830; repeated Nanking 1002; Canton 543, Com-

NavWesPac MAQ 25.

CABOT

893.00B/5-2649 : Telegram

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

Shanghai, May 26, 1949—noon.

[Received 3:26 p.m.]

1936. Headed by former clerical employee of the firm, 30 Communist soldiers appeared in Shanghai power plant office yesterday about noon while fighting still in progress that area. Former employee was most solicitous re welfare staff; gave 6 PB $30 dollars to enable them buy food as well as assurance full protection and aid staff including Americans to carry on. Thus assured, American on duty felt safe in returning his residence for needed rest. (Power plant itself understood still occupied by Nationalist soldiers—operating on greatly reduced load.)

Last evening ConGen learned from Texas Company that entire plant and personnel of its large installations this side of Gough Island, together with those of adjacent Shell Company and China Petroleum Company were in momentary danger of complete destruction as result of shells falling in nearby river next to anchored ammunition barge with 400 tons explosives. ConGen immediately phoned Provisional Police Commissioner Lo who said he would inform Communist military quarters. Twenty minutes later Texas Company reported to us that barge was being towed from danger point. Not certain but quite possible that towing was done by crew sympathetic to Communists under instructions from Communists following receipt ConGen's message.

These and other signs give us initial tentative impression that, aside from their natural urgent desire preserve city installations and assets intact, leaders of Communist Shanghai occupation forces are making

20 Apparently the serial for Commander, U.S. Naval Forces in the Western Pacific.

20 People's Bank Notes, Chinese Communist currency.
special effort to demonstrate their concern for foreigners, at least from standpoint of their physical welfare. Incidentally, in such casual meetings as our staff members have had thus far with ordinary Communist soldiers, latter have displayed friendly attitude.

Sent Department 1836, Nanking 1005, OffEmb Canton 548.

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125.8871/5-2649 : Telegram

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

SHANGHAI, May 26, 1949.

[Received May 27—11:33 p.m.]

1840. Consulate offices have been repeatedly hit during afternoon by rifle and machine gun fire. All but two possible cases are clearly from Nationalist side. Majority of cases appear accidental if utterly irresponsible, but in several instances it can only be deliberate, despite American flags on pole and both entrances.

Building is barricaded and of course no military activity permitted within it. This morning we asked Canton to have instructions issued to Nationals to respect building. Fortunately no American yet injured though several very very narrow escapes as rooms and stairwell repeatedly hit.

Only man so far injured within the building my house boy as already reported. If Department wishes it can quote me to press as saying Nationals have wantonly fired on American flag; that is the simple fact.

Sent Department 1840, repeated Nanking 1009, OffEmb Canton 552.

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893.00/5-2749 : Telegram

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

SHANGHAI, May 27, 1949.

[Received May 27—6:42 a.m.]

1865. On May 26 two proclamations appeared in papers, over radio and posted on streets, issued by General Headquarters People's Security Corps of Federation of People's organizations of Shanghai.

First proclamation stated: "This corps ordered by authorities maintain order in city pending takeover by PLA" ordered people avoid panic, protect public and private property, and furnish information on war criminals. All Kmt soldiers and party members would be

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31 People's Liberation Army (Communist).
32 Kuomintang (Nationalist Party).
protected, but must turn in military supplies. "All Consulates, their staffs and foreign nationals who obey regulations of Headquarters will be protected, all members of Corps wear special arm bands."[
"
Second proclamation issued same day stated Security Corps on duty day and night. Public transportation would continue operation wherever possible. Factories, schools and businesses should resume work. Policemen should report to provisional committees of their stations for duty. Only Military Control Commission has authority to take over any institution and impostors must be reported to Corps. All people's organizations formerly registered with Federation must register again at 627 Nanking Road.

Sent Department, repeated Nanking 1023, Canton, Dairen, VOANY.\[^{32}\]

\[^{32}\] Cabot, John M.: Telegram

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

SHANGHAI, May 27, 1949.

[Received May 27—12:32 p.m.]

1866. I issued following statement May 27 in response to request by North China Daily News reporter who had previously received similar statement from British Consul General Urquhart. My statement was distributed by USIS\[^{34}\] to local press in both English and Chinese languages as well as to press in other Chinese cities where USIS represented.

"So far as we have been able to ascertain no Americans have been injured in course of fighting in or around Shanghai. All reports so far indicate that the Communist soldiers have respected Americans and their property despite certain relatively minor difficulties which have arisen in a few instances.

The American community, both business and philanthropic, is carrying on and intends to continue to do so insofar as this is permitted by the new authorities. They feel that their activities are a benefit to China as well as the organizations they represent. They will, I am confident, respect the laws and regulations instituted as required by the new authorities in their public announcements.

It will be necessary to wait until the new authorities have established the policies which they propose to follow before it is possible to say whether the American community can look to the future with optimism, but the community's first reactions have been distinctly favorable. For those who have suffered tragic losses in the hostilities which have swept over Shanghai the American community feels deeply

\[^{32}\] Voice of America, New York.

\[^{34}\] United States Information Service.
sympathetic; it is fervently thankful for the greater horrors from which Shanghai has happily been spared.”

Sent Department 1896, repeated Nanking 1024, to Canton.

Cabot

125.8571/5-2649: Telegram

The Acting Secretary of State to the Consul General at Shanghai

(Cabot)

WASHINGTON, May 28, 1949—3 p.m.

1081. Asst. Secy Rusk discussed substance urtel 1840 May 26 with
Amb Koo same day quoting ur statement that “Nationalists have
wantonly fired on Amer flag”. Rusk told Koo Dept did not intend give
publicity this matter but indicated Dept’s deep concern over report.
Koo stated wld immed wire Chi Govt, Canton, urging cessation firing
by Nationalists on US Govt property.

Webb

125.8571/5-3049: Telegram

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

SHANGHAI, May 30, 1949—11 a.m.
[Received May 30—5:11 a.m.]

1887. Deptel 1081, May 28. Department will appreciate that I did
not expect publicity regarding my 1840, May 26, but did hope for-
warding it, particularly in plain language, might prove useful as it
seems to have. Could not explain at time in classified message due to
overloaded facilities.

Cabot

893.00/5-3149: Telegram

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

[Received May 31—8:09 a.m.]

1907. North China Daily News, May 31, reports Chang Han-fu,
Chief Foreign Affairs Department, SMCC, ²⁵ announcement that, al-
though Chinese People’s Government has not yet established formal
relations with other countries protection foreign lives [and] prop-
erties assured under article 8 joint declaration Mao-Tse-tung ²⁶ and Chu

²⁵ Shanghai Military Control Commission (Communist).
²⁶ Chairman of the Central Committee of the Chinese Communist Party (CCP).
Teh. All laws, decrees issued by military political authorities will be published Liberation daily. Questions re travel and residence may be submitted to Public Safety Bureau Police headquarters. Foreigners visiting these offices to bring own interpreters. SMCC regulations governing conduct foreigners state foreigners must obey all laws, not conduct espionage, oppose liberation Chinese people, protect or harbour Chinese war criminals or counter-revolutionist[s].

Sent Department 1907, repeated Nanking 1042, Canton 583.

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10222/6–849: Telegram

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

SHANGHAI, June 8, 1949—5 p.m.

[Received June 8—6:02 a.m.]

2153. ConGen has received petitioning letter and threats of adverse group action from civilian personnel discharged by action order without prior separation notice or two weeks’ salary checks upon dis-establishment NavPortFac, Shanghai, 27 April 1949. In view current sensitive political situation, ability such elements exploit to utmost threats cannot be disregarded. Re ComNavPortFac’s 081538Z May separation documents not received nor salary checks in lieu such notices. See Administration Attaché letter to Lt. Blocher dated 11 May for full details. ConGen also advised by former Navy employees NavPortFac recommended request to BuSandA further 2 weeks’ payment lieu separation notice. No information here bona fide employees to be paid if such claims accepted. Advise. AstALUSNA, Shanghai, informed.

Department pass action to ComNavPortFac, Shanghai, information ComNavWesPac, BuSandA.

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81120200(D)/6–1049: Telegram

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

SHANGHAI, June 10, 1949—3 p.m.

[Received June 10—6:20 a.m.]

2198. Question has arisen my mind extent which USIS should continue circulate Shanghai, elsewhere, Communist-occupied China, in—

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37 Commander in Chief of the Chinese Communist armies.
38 Naval Port Facilities.
39 Not found in Department of State files.
40 Bureau of Supplies and Accounts, U.S. Navy.
41 Office of Assistant Naval Attaché.
formation material directly attacking Communism. My concern is overly vigorous attacks may result in early shutdown USIS activities. Deputy Acting Director USIS China believes distribution material unfriendly to Russian imperialism or Communism as employed by Soviet for aggression not likely to be cause for shutdown which likely come any case on more general grounds such as in Peiping. Same time feels deletion of such material from USIS news file except for most flagrantly provocative would result in distorted picture American public opinion, a picture too closely in line with that now being painted by CCP propagandists. Believes shutdown preferable. Specific example type material which I regard as dangerous but which USIS distributed after considered judgement was Paul G. Hoffman speech St. Louis, June 7. Deputy Acting Director USIS feels desirable distribute this type material ground it attack on Kremlin, not on Chinese Communists or even abstract principles Marxism. I realize Department has instructed posts they authorized use best judgement deleting material likely antagonize local authorities. Also presume Department made specific decision before sending Hoffman speech realizing it was for distribution Communist China. Nevertheless desire early guidance this general question in as specific terms as may be provided. Pending reply editorial decisions by USIS made extremely difficult. Also desire Connors comment Canton.

Sent Department, repeated OffEmb Canton 679, Nanking 1154.

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102.22/6-1049 : Telegram

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

SHANGHAI, June 10, 1949—6 p.m.

[Received June 10—7:13 a.m.]

2205. Re ConGentel 2153, 8th. Approximately 35 Sikhs, former USN employees NOB, today forced their way into Consulate and personally served petition on Consul General demanding 2 weeks' pay in lieu separation notice and making strong representations for 2 or 3 months' salary bonus on premise (1) that US Government pledged continued employment and (2) ECA and ... 44 had paid 3 months' separation bonus for long service and 2 months for short service plus lump sum leave payments. Group departed reluctantly led by Indian CG who personally interceded. Even larger number Sikhs may return.

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42 Administrator, Economic Cooperation Administration (ECA).
43 W. Bradley Connors, Consul at Canton and Acting Director of USIS, China.
44 Naval Operating Base.
45 Economic Cooperation Administration.
Consul General representing Navy definitely did not pledge other than temporary employment as record discloses. Have verified, however, ECA paid separation bonuses as represented . . .

Over 300 Chinese ex-Navy employees who petitioned previously for severance payments reportedly organizing balance dismissed employees and making representations local authorities with planned mass visitation and demonstration Consulate General today or tomorrow. Time not propitious intervention Communist authorities who would possibly side with laborers, perhaps holding some office of Consulate General liable. Incident might be useable by Communists for propaganda purposes and highly detrimental American interests Shanghai.

Urgently request Department follow through with Navy to (1) provide specific list by telegram soonest ex-Navy employees entitled severance benefits in lieu notice and (2) release funds for payment up to maximum 2-month salary customary separation allowance paid in Shanghai. Would endeavor settle for less but might be forced concede bonus comparable ECA. Suggest possible alternative payment from Department emergency fund reimbursable by Navy.

**CABOT**

102.22/6-1049: Telegram

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

WASHINGTON, June 10, 1949—11 p. m.

1172. Urtels 2153 June 8, 2205 Jun 10 sent by Navy to ComNavWesPac for action.

Keep Dept informed.

**WEBB**

893.043/6-1149: Telegram

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

SHANGHAI, June 11, 1949—9 a. m.  
[Received June 11—12:24 a. m.]

2208. Three recent incidents afford some indication line Communists may follow dealing with foreigners accused infringing their regulations.

May 29 American resident Michael Kilian reported to authorities Kmt troops had been hiding his apartment and turned over weapons they had left, but according Communists Kilian attempted conceal three pistols which he only turned over after investigation. Commu-
nists commended Kilian for original report of “Kmt remnants” but reprimanded him for alleged attempt conceal weapons, secured formal apology and gave affair full publicity.

June 7 SS Shengking, Butterfield and Swire, brought 21 foreign passengers to Shanghai without authorization. Communist authorities allowed 14 women and children dependents of Shanghai residents to land but demanded remaining 7 return to original port embarkation by same boat. Communist authorities reprimanded firm for bringing unauthorized passengers, secured formal apology and gave affair publicity which played on theme that sanctity of law had been maintained while magnanimous attitude had been adopted in permitting reunion several foreign families.

June 8 British Consul R. T. Callender was engaged in dispute over wages with 2 Chinese servants whom he had attempted to discharge. In course of dispute Callender was alleged to have struck both servants. Communist authorities, appealed to by servants, took statements from all involved, summoned Callender to police station and finally disposed of case by securing public apology from Callender and payment of 6 months severance allowance for servants’ medical expenses and replacement of torn clothing. Communists gave affair much space in Chieh Fang Jih Pao, making points that “oppression and assault of others was not allowed”, that Callender was thus “liable to legal restraint”, but that “in consideration of its being a first offense” he was treated in “magnanimous manner”.

From admittedly scanty evidence these incidents it appears Communists will enforce their regulations firmly against foreigners, will make face for themselves and Chinese generally by securing formal public apologies from offending foreigners, will give offenses involving foreigners full publicity and whatever terms of settlement will take credit for both strict maintenance of regulations and paternalistic magnanimity.

Sent Department; repeated Nanking 1162, OffEmb Canton 685.

CAPOT

893.00B/6–1149 : Telegram

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

SHANGHAI, June 11, 1949—11 a. m.

[Received June 11—4:10 a. m.]

2210. Four Communist plain-clothes representatives reportedly visited home chief Chinese operator China Radio network, H. J. Sheng, approximately 10 a. m., 9th. Mistakenly visited apartment brother H. Y. Sheng (also ConGen radio operator) same building, asking him questions intended for H. J. Sheng, including nature radio
work, why work for American organization, et cetera. When finally convinced mistaken identity, proceeded brother’s apartment, asking same questions wife of H. J. Sheng. Upon learning H. J. off duty 9 p.m., said would return 10 p.m. Searched both apartments thoroughly, making apparently perfunctory check other apartments same building. Sheng instructed speak frankly, honestly regarding duties since no Chinese employee should have information detrimental his interests or ours or no advantage gained from false position. H. J. not visited yet although waited home until 11 p.m. 9th and 10th.

Sent Department, repeated OffEmb Canton 686.

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811.20200(D)/6-1549: Telegram

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

CANTON, June 13, 1949—6 p.m.
[Received June 13—8:37 a.m.]

Cantel 583. At present seems unwise make frontal attack Communism (Shanghai’s 2198, 10th to Department, repeated Nanking 1154) and thus incur Red denunciation possibly resulting closure USIS. Rather seems to us more important for posts coming under Communist domination exercise tact and caution this regard avoid shutdown. Perhaps even overcaution best policy avoid arousing resentment during military control commission period. (Hankow’s 174, 9th to Department,48 repeated Nanking 134.) Harder lines to be adopted on Department instructions following establishment civil control individual areas.

Consider criticism of Soviet policies justified in USIS distribution, especially factual account Soviet related satellite countries and Far East.

Greatest emphasis now should be presentation fullest picture American policies and people, not overlooking however interests in Far East, and striving present fullest possible picture our policies China, elsewhere Far East. Blatant Communist attacks on United States must be countered. Distortions and misrepresentations of truth cannot be overlooked and we should not sit silently by if Communists open frontal assault on United States.

We must not permit fear Communist reprisals and possible closure USIS in China to allow us lose sight our own principles and thus distort own picture to point where it might fit too closely that painted by Communist propagandists. To do this would negate entire information effort and best course such circumstances would be termination

48 Not printed.
information program. It seems feasible and possible to us to steer middle course in this early period that will not compromise our principles and at same time will not bow to Communist propaganda. Officers on the spot must be relied on for decisions with regard specific material and as usual have discretion to withhold distribution any material they consider inimical our best interests at the time.

Department requested provide further guidance if necessary and advise posts concerned policy to follow.

Sent Department Cantel 583, repeated Nanking 390, Shanghai 331, Hankow 19.

CLARK

102.22/6-1549 : Telegram

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

SHANGHAI, June 15, 1949—7 p. m.
[Received June 15—10 a. m.]

2284. ReDeptel 1172, 10th. Assume Department received ComNavPortFacs 100428Z replying Con Gentel 2153, 8th, and 130546Z replying Con Gentel 2205, June 10.49

Although refelts make clear Navy position, ConGen’s opinion this position unrealistic in light factual situation.

Tentative representations by group employees indicate probably valid claims certain employees for 2 weeks’ termination pay in lieu notice which apparently provided civilian personnel instructions USNavPortFacs chapter III B article 12 page 7 irrespective temporary or permanent appointments. These representations also contend chapter V2B7 also provides final payment effected only upon surrender badge and identification by final separation notice neither of which accomplished; hence claim still employees USN entitled regular pay to date plus separation bonus . . .

ConGen obviously placed very difficult position. Estimated 400-600 ex-employees including NOB Glenline, BOQ.60 race course, Luhghwa Airfield holding meetings. Contacts reported to have been made with Foreign Affairs Bureau for permission stage mass demonstration Glenline. Permission reportedly given on basis ConGen is private individual. Numerous other large American and local business organizations facing same difficulty with threat mob action. Request for 6 months’ separation pay, supported by local authorities in at least one instance involving officer British ConGen.

ConGen urgently requests Navy reconsideration of demands from

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49 Nos. 100428Z and 130546Z not printed; the Navy position was that employees were hired on temporary basis and no payment was due above wages and pay for accrual leave (102.22/6-1049 and 102.22/6-1549, respectively).

60 Bachelor Officers Quarters.
standpoint law and equity in order prevent present relatively fluid situation developing into complete and disagreeable impasse.

Present legitimate employees or claimants unknown to ConGen account lack Navy employment records which evacuated. Separation notices mailed 13 May never received. Therefore urgently reiterate request for telegraphic list and funds outlined last paragraph ConGenTel 2205, 10th. Upon receipt this information funds and authority to act ConGen might forestall much adverse public criticism American Government and anti-American sentiment. Otherwise most embarrassing consequences may result.

CABOT

893.9111 RR/6-1649; Telegram

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

SHANGHAI, June 16, 1949.

[Received June 16—3:53 a.m.]

2290. Following news about foreigners appearing in local press: Chieh Fang Jih Pao June 14 reports incident in which American named Lin Ai-tang refused pay pedicab driver full fare and set dog on latter. Public Safety Station arrested American and reprimanded him. He admitted his fault, apologized to pedicab driver and paid latter medical expenses for injury by dog and living expenses during convalescence period. After settlement, pedicab driver stated, according to paper, “such reasonable penalty to foreigner would never have been possible in days of Kmt’s traitorous reactionary rule”.

Same paper June 14 reports May 26 incident in which Bredrup, Norwegian Manager of British-owned Union Brewery Ltd., refused request by workers for loan of truck for welcoming PLA and struck one of them on nose. Official of Criminal Section of Foreign Affairs Department of Police Headquarters told Bredrup that he could no longer handle things in imperialistic way of past and should cooperate with workers. Article concluded: “Yet Bredrup didn’t repent of his wrong at all.” Same paper June 15 reported continuation mediation Bredrup case in SMCC Labor Department, with atmosphere becoming tense as worker struck in nose brought his bloodstained garments to mediation place. Paper reported management had “stubbornly insisted” on discharging 50 workers as “ruse to enable Bredrup evade responsibility for beating up workers”.

Same paper June 14 reports 5 stateless Russian women beating up 15-year-old Chinese beggar were taken by soldier to Public Safety Headquarters for disposal. Pedestrians witnessing spectacle stated “Today we have chance give vent to our anger; formerly, we could.
do practically nothing even if Chinese was beaten to death by foreigners”.

Same paper June 15 reports German resident tried remove from possession of Chinese dyeworks employee bolts of cloth which he claimed belonged to ECA, and had been commandeered before liberation by Nationalist troops and thrown in Whangpoo. German reportedly arrogant. After close examination of cloth at Public Safety Police Station, German realized cloth not same and tendered apology to dyeworks employee, promising not make same trouble again.

Sent Department 2290; repeated Nanking 1209, OffEmb Canton.

CABOT

102.22/6-1049 : Telegram

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

SHANGHAI, June 16, 1949.

[Received June 16—6:52 p.m.]

2299. Following petition approximately 400 ex-PortFac employees public works, fire department, em[ployees] club, BOQ transportation and MATS personal presented ConGen 15th by representatives “Committee Former Civilian Employees USN ComNavPortFac Shanghai”.

“We undersigned former employees US Navy PortFac Shanghai hereby respectfully solicit your kind assistance in forwarding our petition proper authorities for favorable consideration action.

“We have served US Navy faithfully during periods employment, some ever since establishment as naval operating base autumn 1945. We feel US Navy by sudden departure these shores 22 April 1949 without notice local employees and without making provisions payment termination wages has actually abandoned their men and acted in manner entirely contrary traditional American justice. We wish therefore present our grievances based on following facts.

“(1) In afternoon 27 April 1949 we were paid salaries for period 16–30 April 1949 plus equivalent accrued annual leave due. Were not given any notice separation either verbally, written. These employees with more 1 year’s continuous service and who entitled 2 weeks’ notice accordance official circular ‘notice to new civilian employees’ dated 26 October 1948 also not informed termination or separation was in offing. Were simply informed verbally 28 April 1949 that US Navy was leaving and that we were to leave premises by 4 p.m. as trouble anticipated.

“(2) ‘Notice to new civilian employees’ dated 26 October 1948 specifically states employees terminating employment from US Navy will not be paid final wages until his/her badge has been turned in.

Military Air Transport Service.
"We were not required turn in badges when received pay 27 April 1949 although efforts made by Lt. Bobrew and Shore Police guards to forcibly remove badges from civilian employees who left Naval annex between 3 and 4 p. m., 28 April 1949. Despite this breach regulations and direct contravention terms our employment, majority civilian employees still in possession badges.

"(3) . . . Furthermore US Army and other US Government-sponsored organizations such UNRRA, ECA provided civilian employees substantial termination pay upon deactivation.

"(4) While comparison odious we feel it necessary mention that British Consulate paid released employees 6 months' wages, not to mention similar generous gestures civilian organizations various nationalities upon release employees during these troublesome times.

"It is therefore our contention that inasmuch as (a) we received no official notice separation from ComNavPortFac through regular channel of civilian personnel office we are still on payroll of US Navy and entitled and justified claiming remuneration for period 1 May 1949 until such time as receive official notice separation Form CP 8; (b) possession of ComNavPortFac civilian badges accordance civilian personnel regulations is proof our services not terminated, consequently no final wages paid and (c) precedent set by US Army, . . . ECA, etc., in matter termination pay and it only justice that same consideration be given ComNavPortFac civilian employees especially in view present hard times by payment 3 months' termination pay calculated from date separation by Form CP 8. This request fully justified by fact that all undersigned have willingly worked many hours overtime whenever workload required without monetary compensation simply because desire to give very best efforts to service of US Navy.

"It respectfully requested our petition be given primary consideration by your good self and that early reply addressed to the Committee of Former Civilian Employees of the US Navy, Lane 291, House 59 Yung Kia Road (ex Route des Sieyes) may be anticipated in near future.

"Thanking you in advance, we are, Yours most respectfully, Committee of Former Civilian Employees of US Naval Port Facilities, Shanghai, China."

Sent Department 2299, repeated ComNavWesPac unnumbered, ComNavPortFac unnumbered.

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

SHANGHAI, June 16, 1949—6 p. m.

[Received June 16—9: 54 a. m.]

2310. Dept pass CNO 59 and ComNavWesPac. Consulate General transmitting separately plain language text of petition dated 14th de-

59 United Nations Relief and Rehabilitation Administration.
50 Chief of Naval Operations.
livered 15th to Consulate General officers at meeting with 23 representatives former USN shore installation employees. Petition does not include external security force Glenline Building, clerical workers, etc.

Meeting with delegates carried out orderly fashion but undertones ominous. Spokesmen repeatedly stressed urgency immediate action since desperate circumstances some 400 laborers might precipitate uncontrolled mass action unless relief forthcoming by first next week. Accordance reliable intelligence source, this group planning mass visitation Consulate General 22nd or 23rd in absence settlement claims and considering invasion Consulate General commissary Glenline Building and residences administrative officer and AstALUSNA for food until satisfaction achieved.

At meeting with committee representatives Consulate General took position not authorized represent Navy any respect but could serve only as agency for transmission representations to Navy.

ReConGentel 2299, 16th, points 1 and 2 petition seem substantially correct. Most claim did not receive ComNavPortFac mimeographed notices 26 April which follows:

"Due circumstances unforeseen within past month it has become necessary terminate your employment with US Navy on date indicated on your notice of separation. I wish at time express personally my sincere appreciation for initiative and loyalty you displayed and excellent service you performed while in employment my command. William V. Michaux, Captain US Navy."

Since most employees still have badges and none have received termination notices port facilities regulations, as well as NCPI II 10.2-7, in their view substantiate claim for 2 weeks' pay in lieu separation notice.

Regarding point 4, accordance published article British Consulate General officer did pay 6-month bonus personnel employed under police mediation. Separated civilian employees British Consulate General paid 1 month's salary for each year service not to exceed 3 months' salary. Committee representatives alleged Consulate General paying bonuses ex-Navy Sikhs employed temporarily. When this refuted with facts and representatives informed Sikh problem being handled thru Indian Consulate General (ConGentel 2205, 10th), representatives drew inference they not handled same fashion account lack Chinese Govt recognition.

Further, that since no separation notices served they [the security guards] entitled 1 month's salary bonus for each year service accordance Shanghai practice which Indian Consul General apparently supports. Also that 2 weeks' pay in lieu notice accordance Navy regulations separate and apart from bonus to which entitled.
Original petition office workers additionally state ComNavPortFac officers had recommended 2 weeks' pay in lieu notice and those entitled should call Consulate General to check status this request.

Consulate General again reiterates request for list, with specific instruction regarding any settlement Navy is prepared to make to men involved. Unless these forthwith immediately, repeat immediately, cannot assume responsibility for consequences altho planning destruction files, crypto equipment, etc., in event forcible entry premises.

**Cabot**

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102.22/6-1649 : Telegram

_The Acting Secretary of State to the Consul General at Shanghai (Cabot)_

WASHINGTON, June 16, 1949—8 p.m.

1215. Reurtel 2310, June 16, passed CNO and ComNavWestPac. Dept endeavoring work out with Navy equitable procedure for settling legitimate claims laborers and will telegraph further within 24 hours. In meantime you are instructed orally approach highest Commie authority available along fol lines: That ConGen not authorized represent Navy but can act only as agency for transmission representations to Navy; that ConGen informed that procedure for settling any legitimate claims extant being devised and further info forthcoming; that reliable reports received laborers planning mass invasion ConGen properties shortly in absence settlement claims; and that, in accordance with reptd Commie pronouncements re protection fon properties, responsibility for protecting ConGen properties against any mob action this type will rest squarely on local Commie authorities. You might in ur discretion add that world will watch with interest this test of Chi Commie police authority in protecting fon properties against threat mob violence.

**Webb**

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833.5046/6-1749 : Telegram

_The Consul General at Shanghai (Cabot) to the Secretary of State_

SHANGHAI, June 17, 1949—11 a.m.

[Received June 17—10:27 a.m.]

2318. _Shanghai Evening Post_ stoppage June 15 originated over lack formula for settlement wage dispute. Considering workers' demands unfair, editor 64 suggested refer issue to Labor Department of MCC. Latter organ agreed look into matter next morning which

64 Randall Gould, American citizen.
failed satisfy workers and led them block entrance building and detain editor and assistant. After threatening closure paper, editor finally released late evening June 14. June 15 editor left paper on presses including his story of June 14 events which workers objected to publishing. Editor, considering their refusal take paper as made up constituted strike, then left premises saying he would not return work until workers returned work. Matter understood still stalemate.

Consul General hopes matter may be settled quickly with minimum publicity as magnification issue may jeopardize paper and all American correspondents as well as play into hands of elements anxious to embarrass foreign firms and organizations including (Consul General) through encouragement labor demonstrations. To this end suggest that especially desirable that matter not be played up by VOA or AFRS. 65

Repeated Canton 730, Nanking 1921.

CABOT

893.0111 RR/6–1749; Telegram
The Consul General at Shanghai (Cabet) to the Secretary of State

SHANGHAI, June 17, 1949.
[Received June 17—2:01 p.m.]

2316. China Daily Tribune (connected with Chen Ming-shu 65) June 15, carries editorial entitled “Please Stop Acting Like Overlords”. Editorial referred to series incidents involving foreigners (relytel 2990, Department June 16) and stated that in Kmt days common for foreigners to insult China with Chinese person always suffering. According to editorial, “kowtow” diplomacy pursued by reactionary government and attitude bogus officials in currying favor with foreigners have cultivated arrogant attitude on part of “foreign masters.” Chiang Kai-shek’s 57 “equal treaties” were exposed as fakes by humiliating murder of Shanghai rickshaw coolie, rape of Peiping co-ed, and Kowloon incident. Except for Soviet citizens and those of East European democracies who treat Chinese on basis of equality, nationals of all imperialistic countries have considered Chinese lower class before whom they can display air superiority and whom they can insult as they like, and treat in same way as conquerors treat slaves in colonial possessions. This superiority complex so deep-seated that even after liberation Shanghai foreigners still audacious enough hold Chinese people in contempt. Liberated Chinese people cannot tolerate foreigners’ special privileges. Foreigners cannot disobey laws People's

65 Armed Forces Radio Station.
66 A leader of the Kuomintang Revolutionary Committee (KmtRC).
67 President of the Republic of China, who retired on January 21.
Government and if they continue insult Chinese people shall be subjected to reasonable judgment of law. Editorial continued "we are not advocates of blind anti-foreignism, nor do we support narrow-minded principle of retaliation". Editorial quoted point 8 of PLA proclamation regarding protection lives and property foreigners as proof that People's Government treats Chinese citizens and foreigners on equal basis, and concluded "all those who obey laws are our good friends".

Repeated Nanking 1223, OffEmb, Canton.

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102.22/6-1749: Telegram

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

WASHINGTON, June 17, 1949—7 p. m.

1232. ReDeptel 1215 Jun 16. Dept informed Navy has sent instrs to AstALUSNA Shanghai directing him to negotiate "equitable settlement" with laborers after consultation with ConGen. Further informed funds being made available by Navy this purpose. Navy instructing Adm Badger 58 furnish ConGen with list former employees.

Dept believes most desirable negots and settlement claims be handled primarily by AstALUSNA, but desires ConGen extend all practicable assistance in examining claims. ConGen shld avoid far as possible giving any indication US Govt acting this matter as result intimidation or "blackmail" tactics laborers but rather that US anxious investigate all charges underpayment former US Govt employees and effect legitimate compensation. This regard recommend careful screening all claims submitted to insure legitimacy and caution be exercised avoid giving impression US Govt an easy touch.

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102.22/8-1849: Telegram

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

SHANGHAI, June 18, 1949—1 p. m.
[Received June 19, 1949—2:47 a. m.]

2348. ReDeptel 1215, June 16. Am trying to get appointment with Chen Yi. 59 However, I feel we should not appear to be unduly eager or insistent about speaking with Communist authorities re this situation despite its dangers. In their present cocky mood a plea for protec-

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58 Vice Adm. Oscar C. Badger, Commander, U.S. Naval Forces in the Western Pacific (ComNavWesPac).
59 Communist mayor of Shanghai.
tion is bound to be taken as another manifestation of weakness on our part and increase their haughtiness in other sectors. For same reason I do not wish to see junior official. There is also some danger in appealing to authorities that they themselves may make embarrassing demands on us on behalf of workmen. My thought is that if Chen Yi does not see me and violence does occur we shall immediately appeal for police protection which we are prepared to do at moment's notice.

As I see situation, Communists can scarcely afford to permit serious violence against foreign Consulate General in heart of Shanghai and threats against oulying residences are probably bluffs because futile. More probable if less dangerous course is that workmen will stage peaceful demonstration which will be highly embarrassing to us and give Communist propaganda a royal opportunity. We cannot ask authorities to stop such a demonstration. It is on above reasoning that I have had matter discussed with labor leaders in an effort to forestall any demonstration by assuring men we are doing all that we can by acting as intermediaries to transmit their demands. Without wishing to prejudge issue, I am hopeful that if men are promptly offered just settlement on basis their employment agreements we will sufficiently deflate pressures for more extreme demands to make them no longer dangerous. I must point out, however, that present pressures have developed largely as result of time elapsed since question originally raised May 11 by Consulate General memo to Navy liquidation team. Despite our past efforts situation remains full of dangerous possibilities. It is therefore imperative that we strive to clear it up as quickly as possible.

CABOT

102.22/6-2049: Telegram

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

SHANGHAI, June 20, 1949—3 p. m.
[Received 10:48 p. m.]

2359. ReConGentel 2348, June 18. Mayor has refused my request for interview and referred matter to Foreign Affairs Bureau.

In light of Deptel 1215, June 16, am disinclined at moment to approach local authorities further, at least until we find out what prospects are for working out a settlement with ex-Navy employees. I shall, therefore, take no further action in this unless instructed to contrary by Department, or unless invited to Foreign Affairs Bureau.

CABOT
SHANGHAI, June 22, 1949—4 p. m.
[Received June 22—6:44 a. m.]

2408. Morning June 21 Chinese employee Albert R. D. Chen who resigned in lieu preferment charges February 1948 appeared entrance Glenline Building demanding see me personally re settlement griev ance of over 1 year's standing which consistently courteously handled by officers my staff. Upon learning could not see me personally, Chen became obstreperous, threatening personal violence ConGen administrative officer and using insulting language to FSS Guy Colling at reception desk. Chen finally left indignantly toward close office hours. He was not touched by Colling or guards at entrance.

Yesterday June 21 two detectives Whangpoo police station accompanied by MCW [MCC?] representative called at ConGen with Chen asking Colling proceed with them to Whangpoo police station to appear before Deputy Commissioner. Colling advised to not go unless and until formally summoned on basis written complaint.

Today police detective called to serve subpoena on Colling to appear before Commissioner between 8 and 8:30 a. m. tomorrow on charges assault and battery Chen. Acting upon assumption Colling as FSS clerk not immune from prosecution for personal acts, he advised accept subpoena and appear. Detective tended minimize incident but insisted Colling should appear before Commissioner and apologize to Chen.

Would appreciate Dept's instructions particularly regarding two points:

(1) Colling was acting under my personal orders in refusing admittance to Chen and as such was perhaps performing official acts immune from local jurisdiction. I, of course, did not authorize any violence but this is question of fact not law although I am satisfied that no violence occurred. In any case incident occurred on consular premises and as result of Chen's behavior.

(2) Does any question regarding official acts arise from fact that Colling is clerk, not officer of ConGen?

Unless Dept instructs contrary before 8 a. m. Shanghai time tomorrow, Colling will appear before deputy Whangpoo commissioner Hou Chih-wu, former officer PLA and now MCC, accompanied by witnesses and ConGen officers. Colling instructed relate full facts which amply substantiated witnesses but not apologize nor agree any settlement short complete exoneration. Commies may seek to use this alleged incident for propaganda purposes but I propose to take every means in my power to secure Colling's complete exoneration. Already mentioned incident at meeting GOI [local?] consular body for which I was leaving at moment summons arrived.
Feel Dept should immediately consider means which might be employed to back up ConGen either in this incident or if matter of ex-Navy employees get out of hand. Frankly see little justification for maintenance of ConGen Shanghai if this will merely result in making us target for humiliating incidents and propaganda. However, I am by no means satisfied this is Commie purpose at moment. On contrary, am inclined to believe they will seek means to avoid incident if we are courteous but firm.

Sent Department; repeated Nanking 1292.

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123 [Colling, Guy Thomas] : Telegram
The Secretary of State to the Consul General at Shanghai (Cabot)

WASHINGTON, June 22, 1949—6 p.m.


ACHESON

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123 [Colling, Guy Thomas] : Telegram
The Secretary of State to the Consul General at Shanghai (Cabot)

WASHINGTON, June 22, 1949—7 p.m.

1259. Reurtel 2408 Jun 22. In absence violence Colling acting in official capacity and consequently, in accordance with normal rule of Internatl Law, action was that of sovereign US which is not amenable to jurisdiction of local authorities. Status as clerk not material as long as Colling acting in official capacity. In view above, suggested Colling not appear before local authority as recommended. Suggest instead you address informal communication in ur discretion to local authorities substantially as fols:

“(Give brief statement facts incident).
Since Colling did not use any violence against Chen and was acting in official capacity as representative of US ConGen Shanghai, does not appear there is need or occasion for Colling to appear before Commissioner.
As municipal authorities undoubtedly aware, official actions of a sovereign govt are not, under universally accepted principles of Internatl Law, cognizable by courts of another authority.”

It is suggested that at same time a member of your staff get in touch with Chief of Alien Affairs Bureau and acquaint that official with

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⁶⁰ Repeated to the Ambassador in China as No. 727.
whole matter. Corresponding action should be taken by Emb at Nanking.

Acheson

123 Colling, Guy Thomas: Telegram

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

SHANGHAI, June 23, 1949—noon.
[Received June 23—12:55 a.m.]

2426. Just returned from long interview Chang Han-fu, head of local Foreign Affairs Bureau, reference Colling case. I explained at length facts case and our position regarding Colling. Chang took attitude that foreigners would be protected if they obeyed laws, that since no diplomatic relations existed Colling was here in entirely private capacity and that he must, therefore, obey summons. Despite my efforts find some face-saving device and emphasis that petty matter involving false charges of disgruntled ex-employee might occasion serious international scandal, he stuck doggedly his position.

We have addressed letter to Police Commissioner which we are sending as soon as translated.

Have instructed Colling remain within building and will arrange he be in my office if police come building arrest him. Feel it necessary in view of Department's position make abundantly clear gravity of violation of consulate premises if one occurs.

Sent Department; repeated Nanking 1309, Peiping.

Cabot

123 Colling, Guy Thomas: Telegram

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

SHANGHAI, June 23, 1949—1 p.m.
[Received June 23—1:54 a.m.]

2427. ReConGentel 2426, June 23. Police have phoned repeatedly all morning demanding to know why Colling has not appeared, notwithstanding full oral explanation made to police by consulate General Chinese interpreter in person at 8 o'clock a.m.

Deadline of 10:30 a.m. fixed by police for appearance Colling at police station.
Colling remaining in Consulate General. Up to 1 p.m. police have not come to get him.

Ambassador 61 and Clubb 62 understood making representations in Nanking and Peiping respectively.

Sent Department, repeated Nanking 1310, Peiping.

Cabot

123 Colling, Guy Thomas: Telegram

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

Nanking, June 23, 1949—2 p.m.
[Received June 23—5:11 a.m.]

1354. [To Shanghai:] Whatever outcome of immediate negotiations in compliance Department’s instructions Deptel 1259, June 22, repeated Nanking 727, we feel following aspect of general problem should be brought to attention director Aliens Affairs Office Shanghai at opportune moment. You should express concern at apparent threat to fundamental rights American citizens as evidenced by Chen’s ability to call innocent American before authorities new regime on trumped-up charge based purely on personal grudge against foreign organization. (Reur to Department June 22 63 repeated Nanking 1292) you may say that I requested you to inquire if this practice is condoned by public authorities; if not, what assurances Americans, generally, may have in future that they will not be subjected to unwarranted, unjust molestation. You should add that both you and I are concerned over impression apparent denial fundamental human rights accorded foreigners by new regime is having on American Government and American public opinion; that American officials in China cannot help but be unfavorably impressed at apparent acceptance by new authorities of campaign of vilification, humiliation foreigners in Shanghai and that this will inevitably be reflected in their reports to US Government on responsibility, maturity of Commin regime.

I feel that we should react swiftly and vigorously at proper level to this careless disregard of American rights, not only on behalf official but private Americans as well.

Sent Shanghai for Cabot 747, repeated Department, Peiping 234.

Stuart

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61 J. Leighton Stuart.
62 O. Edmund Clubb, Consul General at Peiping.
63 Telegram No. 2408, 4 p.m., p. 1174.
The Consul General at Shanghai (Cabot) to the Secretary of State

SHANGHAI, June 23, 1949—5 p. m.
[Received June 23—9:20 a. m.]

2442. Offices Standard-Vacuum Oil Company invaded today by large force former temporary employees contractors associated with Standard-Vacuum. Workers demand they be placed on Standard-Vacuum permanent payroll. Several foreign officials barricaded in offices; other officials also threatened. Attitude workers menacing. Labor Department SMCC and police so far have declined intervene. Labor situation here appears to be gradually getting out-of-hand with officials indifferent to situations bordering on anarchy where large industrial firms both foreign and Chinese concerned.

Repeated Nanking 1320, Canton 785.

Cabot

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

SHANGHAI, June 23, 1949—6 p.m.
[Received June 23—6:50 a.m.]

2448. Re ConGentel 2442, June 23, 5 p. m. Workers who invaded StanVac building have rejected bonus proposal and company offer to negotiate further with Labor Bureau as mediator. Five foreign executives including Coltman caught in building have barricaded selves in offices. Workers in corridors gradually adopting more threatening attitude. No sign police intend to intervene. Inform StanVac Washington representative of both messages for relay New York.

Cabot

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

NANKING, June 24, 1949—noon.
[Received June 24—8:02 a.m.]

1360. Immediately after learning intransigent attitude Shanghai authorities Chen case 64 yesterday morning, Philip Fugh 65 at my request telephoned Aliens Affairs Office Nanking MCC. Director Huang Hua is absent few days (we believe in Peiping) and Fugh spoke to Assistant Chen Ying. Chen Ying was sympathetic, expressed surprise

64 See telegram No. 2408, June 22, 4 p.m., p. 1174.
65 Chinese personal secretary to Ambassador Stuart.
at action taken by MCC authorities Shanghai, said mistake was ob-
viously in permitting military authorities Shanghai MCC handle case
rather than Aliens Affairs Office; concluded he would telephone Chang
Han-fu, Shanghai, immediately.
Sent Shanghai 750, repeated Department, Peiping 236.

STUART

123 Colling, Guy Thomas; Telegram

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

NANKING, June 24, 1949—noon.
[Received June 24—9:08 a.m.]

1361. [To Shanghai:] We have repeated all of your and Depart-
ment's telegrams concerning Chen-Colling incident (urget 1810,
June 23, sent Department 2427) to Peiping for information, action.
Suggest all future telegrams this incident be repeated Peiping
likewise.
Sent Shanghai 751, repeated Department 1361.

STUART

893.8363/6-2449: Telegram

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

SHANGHAI, June 24, 1949—2 p.m.
[Received June 24—6:48 a.m.]

2460. Reference ConGentel 2448, June 22, 6 p.m. Laborer's siege of
StanVac office building lifted at 9 last night when Communist army
officer attached downtown police station finally appeared and dispersed
laborers. He told them while he sympathized their case [they] were
presenting it in wrong way. He instructed them present their demands
General Labor Union and Labor Bureau Military Control Commiss-
ion following morning. He then told manager StanVac Article 8
Mao Tse-tung's proclamation regarding protection law-abiding
foreigners still in effect and StanVac officials need have no fear mob
violence though they would be required accept rulings Labor Bureau
SMCC. No explanation offered long-delayed appearance law enforce-
ment officers.

CABOT

552-083-78—75
123 Colling, Guy Thomas: Telegram

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

NANKING, June 24, 1949—4 p.m.
[Received June 24—8:02 a.m.]

1368. ReEmb tel 750, June 24.66 Delivered memo this morning to Aliens Affairs Office accordance Deptel 727, June 22.67 However, it was returned on grounds matter outside jurisdiction this office and could only be handled by Shanghai Aliens Affairs Office.
Repeate Shanghai 758, Peiping 239.

Stuart

125.8576/6—2449 : Telegram

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

SHANGHAI, June 24, 1949—4 p.m.
[Received June 24—9:09 a.m.]

2466. British Consul General has report of unknown reliability that Military Control Commission is considering manufacture incident with assistance of disloyal employees by which mob action against Consulate General would occur, police would intervene and discover framed evidence of contact between Consulate General [and] Nationalists in Consulate General’s premises and apartment building at 70 Rte. Doumer, reconstruction of which just being terminated by contractors. Consulate General has already taken virtually all precautions seem feasible against being rushed either by mob or police but we are again examining arrangements.

Sent Department 2466; repeated Nanking 1331.

Cabot

811.42700(R)/6—2449 : Telegram

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

SHANGHAI, June 24, 1949—7 p.m.
[Received June 25—2:39 a.m.]


66 Same as telegram No. 1360 from Nanking, p. 1178.
67 Same as telegram No. 1259 to Shanghai, p. 1175.
Gould and owner Starr offered workers space in paper to give their version of dispute. Gould’s final decision to liquidate based on recent attitude of SMCC authorities regarding foreign papers as shown in North China Daily News case reference story of mining Yangtze (remytel 2387, June 21) in which NCDN editor held personally responsible.

VOA for background only.

Sent Department; repeated Nanking 1345, OffEmb Canton 798.

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

SHANGHAI, June 24, 1949—8 p.m.

[Received June 25—9:21 a.m.]

2479. While Consulate General does not wish draw premature conclusions on any phase of regime still in infancy, study of Communist press since take-over Shanghai would appear reveal certain weaknesses in propaganda technique which VOA can perhaps exploit. Communist propaganda machinery formidable weapon when working according to plan based on predictable events as indicated, for example, by ease with which public aroused to take action against silver peddlers (remytel 2227, June 18). However there are indications machinery too unwieldy to shift gears rapidly when unforeseen events occur (perhaps corresponding to general rigidness Communist dialectics which, in claiming to be able to predict inevitable progression of events in all fields, sometimes must indulge in fancy interpretation to make unexpected occurrences fit dialectic pattern). Communist authorities may find themselves considerably embarrassed by position into which they have been led in past 2 weeks by their propaganda campaign. Study of party and party line press indicates that after initial silence regarding foreigners in Shanghai immediately after take-over, mild but definite anti-foreign trend has become increasingly apparent in last few weeks.

This shown by following (previously reported to Dept):

1. Increase in press coverage of incidents in which foreigners allegedly maltreat Chinese in which foreigners always shown to be aggressor and forced to acknowledge wrong by public apology. Incidents of this sort invariably accompanied by moral that days of imperialism and special privilege in China are over.

2. Initial stage of press attack on foreign-owned utilities for raising rates, accompanied by hints companies should be taken over by people.

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* Cornelius V. Starr, American citizen.
* Not printed.
3. Increasing involvement of foreign firms in labor disputes (although these cases have not yet received prominent treatment in press).
4. Increasing reference in press items and editorials to British-American imperialism (foreign news items almost exclusively taken from Tass or Hsin Hua) and increasing number special articles on various phases of Soviet Russian life.
5. Recent “uncovering” in newspapers of USA spy activities in Manchuria.71
6. Climax reached in attacks on North China Daily News and indirectly on foreign correspondents for publicizing assumed Kmt mining Yangtze channel and accompanying accusation of British-American conspiracy to aid Kmt establishing blockade.72

Last few days have produced events obvious to major portion Shanghai populace which in themselves disprove views and motives ascribed to Britain-America by Communist propaganda over Kmt mines incident. It becoming difficult for vernacular press to maintain silence on existence of actual blockade in view official Kmt announcement commencement blockade on June 26. Evidence appearing in English language press that Britain and possibly USA may not submit to Kmt announced blockade, together with logical British-American business interest in keeping Shanghai port open, will make it difficult force imperialist blockade idea down throats of sophisticated Shanghai merchants. Also repeated Communist statements that shipping lines free and nondangerous being disproved by daily Nationalist plane bombing raids which can be seen by everyone in city. Will be interesting to see how Communist press explains away bombing of SS Anchises and attacks on American oil installations during these raids.

Should American-British make definite stand against Kmt blockade, which precisely contrary to what dialectics tell Communists these “capitalistic”, “imperialistic” nations are bound to do, Communists will be hard put to it to shift stand or make facts fit previous statements. Consequently Dept may wish VOA to stress any British-American acts protesting Kmt blockade or indicating desire to keep shipping lanes open.

On other hand should Britain-America recognize Kmt blockade, this will present Communists with knotty problem of belligerents’ rights and duties towards neutrals which tends to lead towards de facto recognition Communist regime (involving Communist assumption of international obligations) rather than the de jure recognition which Communists apparently desirous of obtaining without interim steps.

Repeated Nanking 1431, Canton 800.

CABOT

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71 See telegram No. 1099, June 19, from the Consul General at Peiping, p. 995.
72 For further documentation regarding closure of certain ports, see vol. ix, pp. 1098 ff.
The Consul General at Shanghai (Cabot) to the Secretary of State

SHANGHAI, June 25, 1949—noon.
[Received June 25—2:04 a.m.]

2486. Re ConGentel 2427, June 23, repeated Nanking 1310. Colling has been asked to come to Foreign Affairs Bureau at 2 this afternoon. Since I believe Foreign Affairs Bureau is proper forum in which to discuss official immunities, I am going with Colling to Foreign Affairs Bureau as requested. Despite possibility of trickery, I feel that we should not miss this possible chance to settle case.

Sent Nanking 1347; repeated Department.

Cabot

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

SHANGHAI, June 25, 1949—noon.
[Received June 29—4:32 a.m.]

2487. Consulate General informed majority of ex-Navy employees not disposed to accept Consulate General offer and plan demonstration Monday. Offer is more than any reasonable interpretation their employment agreements albeit less than demands and local custom.

Unless instructed to contrary, I propose to stand firm and not seek police protection unless workers try to force entry into Consulate General. Since minority reported willing to accept offer and since any weakness may lead to further demands, I feel present offer affords as good a chance of settlement as any.

Pursuant to my letter to Chen Yi, I was invited June 22 to Foreign Affairs Bureau and on June 23 in my talk with Chang Han-fu I sketched this matter also. I did not particularly emphasize it in view of considerations set forth mytel 1310 [2310, June 16] and fact we were preparing make offer...

Sent Department; repeated Nanking 1348.

Cabot

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

SHANGHAI, June 25, 1949—noon.
[Received June 25—4:02 a.m.]

2488. [To Nanking:] Urteil 747, June 23. Feeling that it would not be wise call personally on Chang Han-fu for second time in 24

Same as No. 1354 from Nanking, p. 1177.
hours, I am conveying your message to him through Cheng Kang-chi (see mytel 1309, June 23, repeated Department 2426). I expressed your thoughts to Chang Han-fu in slightly less emphatic language in my interview Thursday.

Sent Nanking 1349; repeated Department.

CABOT

123 Colling, Guy Thomas: Telegram

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

SHANGHAI, June 25, 1949—4 p. m.
[Received June 25—9:20 a. m.]

2498. Have just returned from second session with Chang Han-fu re Colling case. Chang cross-questioned Colling at length re case, told him he had done wrong in disregarding police summons, said that all foreigners in China must obey Chinese law and gave impression that with that he closed case. I had distinct impression that affair was a face-saving device carried out under orders. Chang seemed embarrassed at my presence and tried to cold-shoulder me, at one point rudely, to which I was forced to make tart reply. I answered Chang’s point about obeying law by pointing out that foreigners had every intention of so doing but that question in this case was whether Chinese or International Law applied. I twice said we must agree to disagree.

I mention this because my principal concern at moment is that they may publish story that Colling apologized which he did not. I am optimistic that he is in no further personal danger.

Sent Department 2498, repeated Nanking 1353.

CABOT

893.9111 BR/0-2649: Telegram

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

SHANGHAI, June 26, 1949—1 p. m.
[Received June 27—1:16 a. m.]

2497. Press reported incidents of last few weeks involving foreigners have dampened any initial optimism with which foreign colony may have regarded future under Communist rule. Facts in at least three cases grossly misrepresented in vernacular newspapers and methods by which cases resolved do not offer assurances of fair treatment according to western conceptions due process of law. In fact, there is no law as yet and cases being decided by fiat of branches of SMCC Public Safety Department. Actual facts British-owned Union Brewery
case (remytel 2290 \textsuperscript{10}), according to company official, were that manager Bredrup had attempted run away to avoid being locked in office by employees as part of what is by now familiar Shanghai labor bargaining technique. Chinese employee tripped him, and to save himself from falling Bredrup grabbed Chinese tearing latter's sleeve. Other Chinese struck at Bredrup. Bredrup did not strike any Chinese. In Shanghai Tramway Co. incident (remytel 2425, June 23 \textsuperscript{15}) Matheson had verbal altercation with Chinese employee over sick leave. Chinese grabbed Matheson's coat lapels, whereupon Matheson backed away and Chinese fell, striking mouth against desk. Initial worker's protest relatively mild, with no claim that Matheson had struck employee. Later, second protest filed, alleging version of incident reported mytel. Police later removed Matheson from office at gun point, jailed him incomunicado, and insisted that Shanghai Tramway Co. dismiss him, pay indemnity to injured worker, and offer public apology, before case could be considered further. Callender case (mytel 2308 [2208], June 11) also one in which Chinese employees appear equally to blame for eventual row.

Method of handling each offense has followed pattern: Storm of protests at bad conduct of foreigner sent to newspapers by fellow employees of plaintiff, by peaceful onlookers, and by people in other occupations however unrelated to original plaintiff, accompanied by many readings of moral that days of imperialism and special privilege in Shanghai are over. Foreigner inevitably found to be wrong, forced to recompense Chinese for damages suffered, and to make public apology promising never to repeat offense. Such chastisement and accompanying publicity in keeping with Chinese ideas of "face" seems designed to humiliate rather than to punish severely.

While above incidents may be explained by natural emphasis on nationalism in newborn revolutionary regime, fact that Communist authorities apparently seizing on slightest pretext to demonstrate their own potency and impotence [of] foreigners significant partly (1) as settlement of old scores against foreigner for his activities under extraterritoriality; (2) as attempt in pulling foreigner from pedestal he so long occupied (and doubtless exploited) to give average Chinese self respect and sense own importance never before enjoyed in this international city; (3) as desire keep foreigner in line by eliminating his sense of security and by impressing him with fact that he dwells Shanghai on sufferance of conquering PLA which will treat him well and protect him so long as he behaves: Good behavior being interpreted as unquestioning acquiescence in any rule or decree, however detrimental to his own interest. Another explanation is that with hard economic times ahead, Communist authorities wish take people's minds off un-

\textsuperscript{10} June 16, p. 1166.
\textsuperscript{15} Not printed.
filled needs and give them something else think about by bringing time-honored foreign scapegoat to their attention. This technique, incidentally, also used by previous Kmt regime.

In fairness, it should be noted that all incidents mentioned above have involved alleged misconduct by foreigners and that Communist authorities have in general adhered to Mao Tse-tung's point 8 in protecting lives and property of foreigners who abide by laws and regulations of PLA, do not engage in espionage activities, etcetera. Communist authorities dispersed workers in StanVac dispute (remytel 2460 of June 24) and, according to British Consul General, also effectively intervened yesterday to prevent violence in dispute involving British company. These somewhat encouraging indications that authorities have decided to curb labor violence. They also support belief that Communist authorities may desire retain modicum good will on part of foreign business community to help restore foreign trade and bring Shanghai economy back to life. Just how they hope to accomplish this and at same time put foreigners in their place is not clear. Increasing mood among American businessmen is that of packing up and leaving Shanghai rather than submit to humiliations and insecurities of present situation.

Sent Department; repeated Nanking 1356, OffEmb Canton 805.

CABOT

102.22/6-2749 : Telegram
The Consul General at Shanghai (Cabot) to the Secretary of State

SHANGHAI, June 27, 1949.
[Received June 27 — 10:45 a. m.]

This refers previous messages concerning former employees Nav-
PortFac Shanghai:

Following memo delivered Friday, 24 June:

“...In response to numerous inquiries by former employees of United States Navy Port Facilities, Shanghai, and as agreed by the American Consulate General with certain representatives of former USN Port Facilities employees, the Consulate General has informed the US Navy of the situation and the claims of its former civilian employees.

Following receipt of the Consulate General's report, the Navy has now authorized the Consulate General to pay 1 month's salary in lieu of 2 weeks' separation notice, and as a termination bonus, to those employees having continuous satisfactory service of 1 year or longer prior to April 27, 1949 with US Navy Port Facilities, Shanghai. Two weeks' salary is authorized as a termination bonus for employees of less than 1 year's satisfactory service who were on the payroll as of April 27, 1949.

Arrangements are being made to complete a payroll based upon information supplied by the United States Navy. A notice as to when
and where to report to receive payment will be issued as soon as we
are in receipt of complete payroll lists from the Navy. The payment, of
course, will be made in People's Bank Notes in accordance with the
new Chinese regulations.
In authorizing these payments and providing the funds for them,
the United States Navy wishes to point out the following facts:

1. All of the local employees of the Navy were on temporary
appointments only, in accordance with USN civilian personnel
instructions, which are not governed by regulations or procedures
of other US Government agencies or other local civilian em-
ployers. This was understood by all employees at the time of their
appointments.

2. Nothing other than the temporary employment outlined
in (1) above was ever pledged or implied.

3. Although formal notices of separation could not be de-
ivered under the circumstances prevailing at the time of de-
parture of the Navy, all hands were well aware of the possibility
of NavPortFac's early closure and each employee knew when he
accepted his pay on April 27 that the payment was final, par-
ticularly since it included a lump sum payment for accumulated
leave in accordance with USN regulations. It should be noted that,
although the regulations specify that 2 weeks' notice should be
given by the employee or the employer prior to termination, such
notice is not mandatory under the regulations (even for tem-
porary employees of more than 1 year's service), and there is no
provision, pledged or implied, to pay salaries in lieu of such no-
tices. Because of the exigencies under which the Navy departed
from Shanghai, delivery of such notices was of course imprac-
ticable, as was the collection of official US Navy badges retained
for the most part by the employees.

The USN paid among the highest salary rates of any employer in
Shanghai. Employees were consistently paid the highest rates obtain-
able when paid in local currency, and were protected against falling
exchange during the chaotic exchange situation rates expressed in
terms of US dollars.

It should be clearly understood that the United States Navy, in
voluntarily offering this settlement, is doing so in keeping with the
policy of the United States Government with respect to fair treatment
of all its employees.

It should further be clearly understood that, in accepting this pay-
ment, each former employee waives all further claims against the
United States Navy or the United States Government by virtue of his
former employment, and in accepting this payment, each employee
will be required to sign a certificate to that effect. American Consulate
General."

Following letter response to Consul General, Shanghai, memo to
ex-NavPortFac Shanghai employees received at meeting today:

Shanghai, June 25, 1949. The American Consul General, American
Consulate General, 2, Peking Road, Shanghai.

Dear Sir: The committee of former civilian employees of the US
Navy do this date acknowledge receipt of your undated memorandum
(for all former employees of United States Navy Port Facilities, Shanghai), the contents of which have been carefully noted.

While we fully appreciate the prompt action you have taken in connection with our petition of June 14, 1949, and are indeed grateful for the favorable consideration given same by your good self and the US Navy, we wish to state that your above-mentioned undated memorandum does not constitute a direct reply to our petition and some of the "facts" drawn to our attention are, in our opinion, incorrect and therefore subject to controversy. We shall endeavor to present below our understanding of the "facts" in the order enumerated by you.

(a) Your paragraphs (1) and (2). We fully agree that all local employees were on temporary appointments only and nothing other than temporary employment was ever pledged or implied. However, local employees of ESD 44, US Army, UNRRA, ECA and other US Government agencies were also on temporary appointments and adequate notice and substantial termination pay were given such employees when these agencies deactivated.

(b) Your paragraph (3). While we were indirectly aware of the early closure of NavPortFac, we had not anticipated the end to be so sudden and abrupt. Neither did we expect to be abandoned in the way we were. We were given to understand that the payment of salary on April 27, 1949, plus accrued annual leave due was a precautionary measure and no indication whatever was given that the pay was final and that the US Navy would depart the following day. Inquiries made of officers resulted only in evasive and conflicting replies which served only to further complicate the situation. As an illustration, may we state that employees who had been released and who came for payment of monies due on the morning of April 27, 1949, were turned away and advised to call again on Saturday, April 30, 1949.

We do not agree with your contention, that although the regulations specify that 2 weeks' notice shall be given to employees in the event of separation after 1 year’s continuous service, such notice is not mandatory. Employment and separation of local employees by the US Navy have been guided by regulations at all times. Operation of the US Navy and other US Government agencies are governed by regulation. If such regulations are not mandatory, then why are regulations made and why did the US Navy take the trouble in issuing the "Notice to New Employees" and hand one copy each to every new employee? You further claim the exigencies under which the Navy departed from Shanghai made the delivery of separation notices impracticable. If the Navy had given greater consideration to the welfare of their local employees who had served them faithfully, such notice could have been given at the time of payment of salaries on April 27, as there was sufficient time, and if the pay on that date was to be considered final, the collection of official US Navy badges could have been made at the same time.

(c) Your paragraph (4). We are indeed grateful to the US Navy for the generous treatment and remuneration received while we were in their employ and our services required. However, in return they received our best efforts and much over-time work without compensation at all times. We do not wish to appear ungrateful or unreasonable but we would like to again encroach upon your valuable time and solicit your kind assistance in obtaining better terms for us from the US Naval authorities. When the Navy left we were given verbal
assurance that some payment would be made to us through the American Consulate General. It is now 2 months that we have waited and nothing concrete has materialized. Your memorandum did not state any specific date when payment would be made. It could be in the near future and yet it could be in the distant future. There are many of us who would have liked to return to our homeland but have not done so only because we have waited for the promised money from the US Navy. In the meantime our funds are running now and by the time we receive the termination bonus as mentioned in your memorandum, such fund might only be sufficient to liquidate our debts. In view of this and the fact that we are all undergoing difficult times owing to the present unstable economic conditions in Shanghai, we have no alternative but to reiterate that a payment to cover salary for from May 1, 1949 to June 24, 1949, the date of receipt of our above-mentioned memorandum, which can be construed as the official notice of separation plus 3 months’ termination pay, would be a more appropriate and justifiable compensation under present circumstances.

We feel sure if all concerned are thoroughly familiar with our predicament, they will be sympathetic to our cause and would reconsider the contents of your undated memorandum and would offer more generous terms.

In conclusion we wish to again apologize for the inconvenience caused and to thank you for the courtesies extended to and the kind and valuable assistance given us in this distasteful matter.

Anticipating an early reply, we remain, Yours most respectfully, Committee of Former Civilian Employees of US Navy, Shanghai, China.

[CABOT]

102.22/6-2849: Telegram

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

SHANGHAI, June 28, 1949—10 a.m.
[Received June 28—2:19 a.m.]

2519: AstALUSNA SHAI 270957Z. Transmitting separately to Navy Department texts ConGen memo issued 24th announcing settlement (mytel 2487, 25th, repeated Nanking 1348) and reply employees rejecting proposal.

Three ConGen officers met 25 delegates library former BOQ 3 p.m. 24th to receive reply. During prolonged discussion principally reiteration old arguments their side and position ConGen as transmitting agency, loud mob broke into BOQ lobby, overran grounds shouting for 3 months’ pay and otherwise demonstrating force. This followed by orderly withdrawal, all of which apparently staged to demonstrate power of numbers and authority of leaders.

ConGen representatives stood firm on settlement as announced, promising payment as soon as complete lists received from Navy. Also to transmit new representations to Navy but without likelihood favorable reply. When meeting ended, leaders invited ConGen represent-
atives to BOQ garage compound to accept "thanks" entire group. Approximately 350 strong arranged disciplined ranks such fashion, again demonstrating strength and control, cheered leaders who reiterated their original demands and urged prompt settlement. ConGen officers then permitted leave without molestation.

Unconfirmed intelligence reports and rumors indicate strong likelihood mass visitation including occupation ConGen premises entire group plus families relatives on pattern established other recent labor incidents foreign establishments. On other hand, have reports 6A groups satisfied announced settlement, refuse take part but these apparent minority and under strong pressure to present united front.

Unless otherwise instructed, ConGen will maintain position that settlement offered 24th generous and that Navy will authorize additional funds this purpose.

Will report developments promptly.

Department pass to CNO, ComNavWesPac, CoMarianas, BuSandA, BuPers. 86

Sent Department, repeated Nanking 1372.

893.00/6-2949: Telegram

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

SHANGHAI, June 29, 1949—10 a.m.
[Received June 29—12:15 a.m.]

2536. Swiss ConGen has through intermediary with Communist contacts story substantially similar to that given me by British ConGen (remetyel 2466, June 24, repeated Nanking 1331).

While this second warning can obviously not be disregarded, am still inclined regard story as fishy. Nevertheless should anything this nature occur trust Department will immediately issue statement pointing out that ConGen was twice explicitly informed through reliable sources before event of complicity of Communist authorities in incident and that threats of ex-Navy employees were also brought to attention of Communist authorities.

ConGen could use tear gas and fire hose for defense, but will not do so unless so instructed. Navy has also left some firearms in building, these of course will not be used under any circumstances.

Sent Department, repeated Nanking 1382.

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86 Bureau of Personnel, U.S. Navy.
The Consul General at Shanghai (Cabot) to the Secretary of State

SHANGHAI, June 29, 1949—1 p. m.  
[Received June 29—4:32 a. m.]

2539. Pursuant to my general orders a coolie of Consulate General staff this morning removed several offensive posters from walls of Consulate General. Chinese member of Consulate General staff was forced to go to police station regarding matter and was told that I personally should appear at police station at 2 o’clock this afternoon. I am informing Foreign Affairs Bureau of incident and saying that I trust this will end it. I have, of course, no intentions of going to police station.

Sent Department, repeated Nanking 1385.  

Cabot

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

SHANGHAI, June 29, 1949—4 p. m.  
[Received June 29—9:02 a. m.]

2547. Re mytel 2539, June 29, 1 p. m. Another telephone conversation with police station indicates that, as result of Foreign Affairs Bureau intercession, matter has been dropped.

Sent Department 2547, repeated Nanking 1395.  

Cabot

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

SHANGHAI, June 30, 1949—5 p. m.  
[Received, June 30—9:42 a. m.]

2570. Reliable source states that Chen Yi has recommended tongs being against plan to rush Consulate reported in mytel 2466, June 24, repeated Nanking 1331, and 2536 June 29, repeated Nanking 1382.

Sent Department 2570, repeated Nanking 1409.  

Cabot
WASHINGTON, June 30, 1949—8 p.m.

1322. Urtels 2466 June 24, rptd Nanking as 1331 and 2536 June 29, rptd Nanking as 1382. Dept prepared issue statement suggested second para 2536 shld occasion warrant and ConGen so recommend. Dept of opinion use tear gas or fire hose for defense might exacerbate situation and shld be avoided. Recommend police protection be sought if and when necessary. Dept concerned presence firearms in building, assumes precautionary measures being taken prevent their unauthorized use. Dept also assumes whatever steps necessary re their registration, or notification authorities that they are in possession consulate, have been taken.

ACHESON

893.918/7-149: Telegram

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

SHANGHAI, July 1, 1949—3 p.m.
[Received July 2—3 p.m.]

2597. Re ConGenTel 1417, July 1, repeated Department 2580.78 Gould of SEP.79 negotiated with his ex-employees in his office from 3 p.m. until 7:30 p.m., July 1. R. T. Bryan as attorney and Charles Miner as Treasurer, Starr interests, also participated. Committee of 8 represented workers. Ninety-three additional workers appeared in corridor about 3:30 p.m. and blocked doors making it impossible for Gould to leave until they voluntarily dispersed at 11:30 p.m. Gould considered that he was being coerced but nevertheless offered June settlement of 72 basic units, 20 percent more than May. Gould pressed workers to submit definitive severance pay proposal which he could transmit to Starr. Workers flatly refused to make any severance proposal, insisting paper could not liquidate and that in any event full pay must continue indefinitely. Asserted only present issue was amount of June pay. They held out for 144 basic units, double Gould offer. Workers refused acknowledge validity Starr’s cabled instructions, saying Starr misinformed by Gould, therefore not able make competent decision. Workers revealed they had access to all messages at government cable office. Consulate endeavored unsuccessfully from 8 to 11 p.m. induce police and FAB80 to afford safe conduct besieged Ameri-

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77 Repeated to the Ambassador in China as No. 76.
78 Not printed; it reported that Randall Gould had received instructions from
C. V. Starr to close the Shanghai Evening Post and Mercury.
79 Shanghai Evening Post.
80 Foreign Affairs Bureau.
CONSULATES IN OCCUPIED AREAS

Cans. Both parties refused on grounds Gould had rejected good offices
People's Government authorities, therefore they washed hands of
whole matter and Gould would have to accept consequences his in-
transigent attitude.

Gould thinks pressure may shift temporarily to Miner who has
Treasury controls funds. However, Miner has no authority to override
liquidation decision which Gould says is final. Gould considers he is
prisoner here, predicts he will not be permitted leave Shanghai unless
settlement satisfactory to new regime is made. Impasse seems complete.
Gould maintains every foreigner here who employs labor is now vir-
tually hostage, believes hostage idea accounts for continued delay
issuance exit permit regulations for foreigners.

Regardless basic merits issue, Gould’s handling of workers has been
highly inept and his tactics needlessly provocative. This complicates
problem securing protection for him and increasing risk further ag-
gravation situation.

Sent Nanking 1432; repeated Department, OffEmb Canton 847.

Cabot

893.00/7-849: Telegram

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

SHANGHAI, July 3, 1949—10 a. m.
[Received July 3—3:24 a. m.]

2600. Chase 81 and Thomas 82 had interesting talk Thursday evening
with Democratic League leader Han Ming; also participated in by
Mr. Amos Wong who helped arrange meeting. Han (who recalls
pleasant wartime acquaintance with Vincent, 83 Sprouse, 84 Freeman 85
and other FSO’s) seems clearly belong to League’s pro-American mod-
erate wing which includes Lo Lung-chi, Chang Tung-sun and Yih
Tu-yi; is City Editor of newly reemerged Hsin Min Jih Pao; is close
friend and frequent contact of FonOff Chief, Chang Han-fu, and
Deputy Chief, Hsu Yung-yin. Both he and Amos Wong are much con-
cerned over increasing seriousness Shanghai situation and need for
foreign help in coping with it. Han feels that current Shanghai
troubles involving foreigners are not due to Communist wishes but to
temporarily unavoidable difficulties centering on:

1. General intransigence of labor, whether under foreign or Chinese
employment, in exploiting opportunity to extent which Communists
disapprove but cannot presently afford suppress, irrespective rights

81 Augustus Sabin Chase, Consul at Shanghai.
82 Robert B. Thomas, Administrative Attaché at Shanghai.
83 John Carter Vincent, then Counselor of Embassy in China.
84 Philip D. Sprouse, then Third and Second Secretary of Embassy in China.
85 Fulton Freeman, then Third Secretary of Embassy in China.
and wrongs, for fear seeming to champion capitalists, imperialists and so losing urgently needed mass support.

2. Deeply ingrained suspicion and sensitivity which rank and file Communists have re all American, British actions and which Americans, British fail appreciate.

3. (Especially stressed by Han) Unfortunate lack, pending recognition, of communication channel between Communists and foreign Consuls for proper understanding and discussion troubles, problems. Communist officials reluctant deal with Consul publicly (in offices and office hours). They prefer out-office informal contact but also cautious re that. While genuinely desiring meet foreign representatives, they are accordingly unable find adequate means therefor. Result is misunderstandings and aggravation troubles.

Han indicated that in such circumstances, and especially in pre-recognition period, Democratic Leaguers who understand viewpoints both sides could and should help as intermediary communication channel.

By way illustrate Communist psychology, Han mentioned North China Daily News case. He said outburst against paper’s publication of items re Nationalists’ mining of Yangtze and foreign (British) aid in sweeping for mines came as result Communists’ exasperation over what they regarded as old-style imperialistic face-insulting tactics of British authorities in making patronizing offer to clear mines in return for Communist release of British warship Amethyst.

He said that as editor himself, he well realized difficulties operating newspaper to satisfaction of Communists. Even Ta Kung Pao is perplexed over problem. Communist authorities one day blame papers for not following CP line and next day criticize for slavish imitation.

Han regretted Gould’s decision close Evening Post and could not help feel Gould not acted wisely. He feels convinced Communists are perturbed over closure; have been anxious have one American and one British paper continue publication. He pointed to ability of NCDN to continue publication despite clamor for its closure as evidence to support his conviction.

Chase, Thomas expressed full concurrence re urgent need adequate means communications between Communists and Consuls to prevent misunderstandings and permit disposal potentially dangerous matters before reach serious stage. They mentioned as example ConGen’s predicament with respect extensive demands by former Navy employees, pointing out that development of trouble to violent stage could not fail react seriously on all local as well as general relations between new regime and Americans, and mentioning danger that underground anti-Communist agents might likely lose no chance to help stir employees to violence against ConGen for which Communist authorities would be blamed. Had also pointed out that, while it might be somewhat embarrassing for authorities to “champion imperialists” to extent intimating to ex-employees need for refraining from violence, it would
be infinitely more embarrassing if violence once started and authorities had to choose between leaving it unchecked or interfering forcibly against laborers. Han apparently impressed and, without any request from Consulate officers, thereupon said he would talk over ConGen’s problem with Chang Han-fu at first opportunity and requested background memo re matter (which ConGen has already supplied him).

Throughout talk Han mainly stressed need for communication channel. Believe that he presented views on own initiative rather than by request Communists but that he is nevertheless sufficiently close to local Communists to have good understanding their present line of thinking and desires. ConGen officers much impressed by his intelligent and earnest interest in problem and absence any desire push himself forward.

Sent Department; repeated Nanking 1435, Canton 850, Peiping 189.

Cabot

893.918/7—549: Telegram
The Consul General at Shanghai (Cabot) to the Secretary of State

Shanghai, July 5, 1949—5 p.m.
[Received July 5—11:50 p.m.]

2609. [To Nanking:] ReContel 1432 to Nanking, repeated Department 2597. Shanghai Evening Post workers, after detaining Gould in downtown office July 1, to discuss wage settlement, finally permitted him and SEP Treasurer, Miner, return home at 11 p.m. on condition negotiations would be continued with workers’ committee next morning. Following day before Gould dressed, 7 workers knocked loudly on his private apartment door and started force way in. Mr. and Mrs. Gould and Freeman, American employee of Starr’s American Underwriters, in apartment at time and latter assisted Goulds to forcibly prevent workers from entering. No real violence and no one injured, but Goulds did use force to keep workers out.

Workers promptly obtained medical certificates re their “injuries” and filed a charge of assault and battery at police station. Police summoned Gould to station and he appeared with his American lawyer Bryan at 2 p.m. Saturday. Police informed him they took very serious view of case and confronted him with 7 affidavits of “victims” of his attack and eye-witnesses. Police indicated that they considered strongest affidavit that of Russian guard, Soviet citizen, hired by SEP businessman Douglas, about 1 week before closure. Police triumphantly pointed out facts stated must be true because even foreigner’s version agreed with Chinese. Gould replied that workers were forcing entry into private apartment and he resisted in self-defense. Police insisted he would have to make apology. Gould drafted one which indicated
workers had used force and police rejected it. Gould then told police to draft one themselves but they refused on ground that it must be in his own words. Compromise draft by Bryan acceptable police limited to general apology without detailed statement circumstances. Police added line "I agree there will be no repetition of incident" which Gould considered very compromising but he had no alternative but to sign. Bryan advised him privately to sign to avoid an almost certain jail sentence, pointing out that apology was meaningless anyway since obtained under duress. Apology appeared following day inconspicuously in North China Daily News among ads on back page, more prominently in Chinese papers. Police also ordered Gould apologize in person to all employees SEP at paper's office on July 4.

Saturday morning workers' delegation returned to Miner's office as agreed to continue discussion wages. Remained adamant in stand that only June wage adjustment subject for discussion and paper must continue them on payroll indefinitely after that. They lowered their demands, however, and expressed willingness accept same wage scale as employees of North China Daily News which was about one-third higher than Miner had offered them but also [less?] than they had originally demanded. Miner agreed to their request to telegraph this latest demand to Starr in England. Negotiations were then suspended pending receipt Starr's reply. Monday morning police at last minute complied with Gould's request for police protection at meeting he was scheduled to apologize to workers. Gould was under influence sedative administered by his doctor. One officer of SMCC accompanied him to meeting which was held inside paper's offices. Workers orderly and reasonable as Gould read his apology, announced his willingness to negotiate and explained that the final decision would have to rest with Starr. Following meeting Gould, Miner and workers conducted further wage negotiations and Gould offered turn over paper's ready cash as part payment June payroll. Accepted conditionally by workers. Gould permitted leave the premises in afternoon and take with him effects from his editorial office.

Sent Nanking 1441; repeated Department.

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125.8576/7-649 : Telegram

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

SHANGHAI, July 6, 1949—10 a.m.

[Received July 6—5:49 a.m.]

2614. Reourtel 2601. Threatened demonstration ex-Navy employees. Han Ming, mentioned ConGentel 2600, July 3, repeated Nanking

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66 Not printed.
1435, wrote letter today ⁸⁷ to Chang Han-fu, Chief FonAff Bureau, pointing out possibility of hostile demonstration with regrettable consequences. His letter characterized “more than one-half” of demonstrators as direct or indirect agents Kmt Secret Service Bureau. Apparently, Chang took immediate action basis this letter, for two special policemen began patrolling street near Consulate entrance at 1 p. m. today. At 2 p. m. detachment of about 25 Communist soldiers appeared. They are stationed across street from ConGen on both Peking Road and the Bund. They have not interfered in any way with legitimate callers at Consulate. Appear detailed solely for maintenance order. Ex-employees gathered at former Navy Club this morning, but dispersed voluntarily about time military guard assigned to ConGen. Spokesman for employees has made inquiries of ConGen today, but no threats. Undoubtedly stationing of military guard has had restraining effect on ex-employees though results of long continued detail of troops to guard ConGen might be undesirable. Military detail should also prevent violent action by ex-ECA chauffeurs, who renewed their threats this morning. Various small straws tend indicate wind blowing direction tacit Communist acceptance right foreign Consulates to modicum consideration.

Sent Department; repeated Nanking 1445.

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102.22/T-649: Telegram

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

SHANGHAI, June [July] 6, 1949—5 p.m.
[Received July 6—1:35 p.m.]

2628. Group of ex-Navy employees have been at entrances to Glen Line Building since noon. They have demanded that we receive large delegation, which we have refused. We have offered to admit not more than 4 but have pointed out that in absence of lists from Navy there is nothing more we can tell them at moment. Ex-employees are evidently mobilized in teams of 25-50 to maintain continuous watch. We have simply closed gates and waited, so it not yet clear whether they would offer violence to Americans seeking to enter or leave. We believe, however, they would try to rush the building if we opened gates. After waiting 2 hours to see whether authorities would act spontaneously, we phoned Foreign Affairs Bureau to inform them of what was happening. I propose if no action taken in meantime to phone FAB at 4 p. m. informing them American [and] Chinese employees leaving building at 4:30 p. m. and we trust authority will prevent violence.

⁸⁷ Apparently July 5.
I do not wish to use exit recently built through British compound for fear of getting them involved, but will if necessary.
Sent Department 2628, repeated Nanking 1453.

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102.22/7-649 : Telegram
The Consul General at Shanghai (Cabot) to the Secretary of State

SHANGHAI, July 6, 1949—8 p.m.
[Received July 6—11:48 a.m.]

2639. ReConGentel to Department 2628 [2628], July 6, repeated Nanking 1453. At 4 called Foreign Affairs Bureau which claimed no one there with authority to take any action. Called police who promptly said they would send a patrol but as I write at 7 they have not shown up. They claim patrol sent; although conceivably it has been blocked by parade now going on. I believe we are merely getting the run around. I have sent Stelle 88 to police station to make representations on basis of Mao Tse-tung’s eighth point. 89

At 6 a large group headed by me attempted to leave building. Gates were forcibly held against us and at 8 we are still unable to leave building. Although I think we could probably break through, I have taken every precaution against violence on our part.

In brief talk at gate, I made it clear that under no circumstances would we talk under threat of violence. We have given facts of case to press to avoid inaccuracies but I think comments should be withheld till we are entirely satisfied that authorities will not intervene.

Sent Department 2639; repeated Nanking 1461.

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125.8576/6-649 : Telegram
The Ambassador in China (Stuart) to the Secretary of State

NANKING, July 6, 1949—10 p.m.
[Received July 6—1:02 p.m.]

1450. We have talked to Cabot by phone twice this evening. At 8:30 there was no change his beleaguered position and he and staff were preparing to spend night inside Consulate General. Assume Department has details direct from Consulate General and press. We feel in addition press accounts appearing in US, Department should make its own authoritative statement to press emphasizing complete lack protection from public authorities. In circumstances we believe pub-

88 Charles C. Stelle, appointed First Secretary of Embassy in China, temporarily at Shanghai.

89 See telegram No. 1701, May 18, from the Consul General at Shanghai, p. 330.
licity our best weapon and full use of it should be made. (Shanghai telegram 2628 July 6 to Department.)

We telephoned Hua to at his home this evening to report incident. He offered to telephone Shanghai director Aliens Affairs tomorrow morning. Suggested Cabot himself continue trying to reach Chang Han-fu by telephone tonight and tomorrow morning as best chance early relief. Tomorrow complicated by celebration Shanghai-Nanking occupation and anniversary Marco Polo bridge incident (see Embtel 1447 and 1448, July 6, repeated Shanghai 805 and 806) [10 characters garbled] outrageous incident in keeping with present unreasonable demands of labor principally resulting from provocative Communist propaganda. We can only assume that present near-anarchic conditions Shanghai are out of control of Communist authorities or that they are developing with their connivance, unless Communists are afraid of losing face over retraction their own anti-foreign propaganda.

Repeated Shanghai 808.

STUART

10222/7–649: Telegram

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

SHANGHAI, July 6, 1949—midnight.
[Received July 6–12:36 p.m.]

2640. After 2 hours’ talk with police they are now (11:30 p.m.) trying to clear ex-Navy employees from in front of building. We have agreed to send a representative to discuss matter Friday but have made it clear that we cannot accept arbitration, are only acting as intermediaries and will not negotiate under threat of violence.

Please inform Navy.

Sent Department 2640; repeated Nanking 1462.

CABOT

123 Olive, William M.: Telegram

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

SHANGHAI, July 7, 1949—11 a.m.
[Received July 7–2:42 a.m.]

2641. Vice Consul William Olive arrested yesterday afternoon while en route filling station in jeep, apparently for alleged obstruc—

Huang Hua, Director of Communist Aliens Affairs Office at Nanking.


Ante, pp. 400 and 410, respectively.
tion Communists in parade. Still held incommunicado this morning. Authorities refuse to divulge charge, will not let us see him or take him food. We have report from Sikh eyewitness that he was severely beaten last night after accidentally overturning ink bottle. Chase and Supple* were rebuffed and insulted at police station this morning, when they went there in effort to ascertain facts and assist him. Separate report their experience follows.

Sent Department 2641; repeated Nanking 1463, Peiping 191.

CABOT

102.22/7-749: Telegram

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

SHANGHAI, July 7, 1949—1 p.m.
[Received July 7—9:27 a.m.]

2643. At 9:30 last night police patrol came to Consulate General and were admitted. They wished immediately to discuss matter with Consulate General representatives and leaders of ex-Navy employees, intimating that otherwise they would withdraw. I reiterated that under no circumstances would we talk to employee representatives while they maintained blockade of building but that I would be glad to inform police regarding case. They agreed. Two-hour talk followed, during which we explained case and they asked numerous and generally pertinent questions. We pointed out that we were acting solely as intermediaries, were not directly involved in dispute, could only give what Navy wishes, expected protection from violence in accordance with International Law and Mao Tse-tung's eighth point and that if we were officials we should have special protection, if private citizens as they claimed we clearly had nothing to do with the dispute. They pointed out that many of men still unemployed and consequently suffering, that it was desirable to settle case on basis of local custom, and that further violence might occur if it weren't settled. What they said showed that they had been fully informed since yesterday of developments in matter, hence guards Tuesday. Note that delay their coming yesterday was deliberate. We finally agreed to send a representative tomorrow to Foreign Affairs Section to discuss but not to arbitrate matter. At midnight police finally dispersed men peaceably and staff went home. Police courteous and generally helpful. However, in talking to men, police said no further violence while negotiations in progress, leaving intimidation violence permissible if we do not agree to settlement satisfactory to workers.

I am planning a strong protest to Foreign Affairs Bureau tomorrow (today is holiday).

* William J. Supple, Security Officer at Shanghai.
Department will appreciate that situation now more difficult than ever. Men's tempers inflamed by long delays and not improved by 12 hour vigil in rain. Authorities almost certain to put pressure on us and to wash hands of any violence if we prove intransigent despite any representation on our part. As reported in my tel 2462 [2642], although I believe authorities concerned at bitterness of labor disputes, they seem afraid to take firm hand even in flagrant cases of violence and even connive with them to some extent. Men's appetites growing as each further increase of violence brings further successes. Pattern followed yesterday if [of?] long delay in appearance of police is so similar to that in other cases as to reflect definite policy. It is this atmosphere that we must consider what to do.

Only bright spot is that we have found an April 1948 Navy payroll which will enable us to divide men fairly accurately into categories of more or less than a year's service. We are urgently working on this now. I propose at meeting tomorrow to offer pay on basis present offer on fixed day next week and to transmit further messages to Navy if they reject offer. I frankly doubt that this will satisfy many.

I frankly find it difficult to recommend course of action to Department. Rough estimates indicate that we have some balance in Navy fund with which to increase present offer. I hesitate to increase present offer because (a) it is more than equitable under regulations men agreed to when employed, (b) I do not like to yield to violence, (c) I doubt men would accept even increased offer.

Only other suggestion I have to offer despite obvious objections is that Navy send team of labor experts here to negotiate. I should not like to undertake mission for Navy but (a) it would get Consul General out of a mess which is Navy's responsibility, (b) it would put Communist authorities on spot re acceptance.

I would greatly appreciate urgent instructions.

Sent Department, repeated Nanking 1463.

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123 Olive, William M. Telegram

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

SHANGHAI, July 7, 1949—3 p.m.

[Received July 7—5:45 a.m.]

2645. ReConGentel 2641, repeated Nanking 1463, Peiping 191.

Suggest Department release story of jailing and beating Vice Consul William Olive, pointing out it seems part of systematic plan to humiliate foreigners. Correspondents here have filed story, but AP

correspondent believes transmission may be delayed by radio administration.

Sent Department 2645, repeated Nanking 1467, Peiping 193.

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123 Olive, William M.: Telegram

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

SHANGHAI, July 7, 1949—5 p. m.  
[Received July 7—8:51 a. m.]

2646. ReConGentel 2641, repeated Nanking 1463, Peiping 191.  
On July 6 at 11:30 p. m. Vice Consul William Olive had been missing from Consulate General approximately 10 1/2 hours. Inquiry various police stations by phone disclosed Olive jailed in Wayside police station. William J. Supple accompanied by M. E. Meyer, local stateless employee formerly employed Chinese police, arrived Wayside police station approximately 12:30 a. m. July 7. Refused permission see Olive and police superintendent contacted by telephone refused talk with us and instructed police clerk on night duty not to give us any information. We did learn Olive was brought Wayside police station because he had not obeyed traffic order to go to the other side of the street because of CC parade. Olive booked about 3:15 p. m. at Wayside. Night police clerk further advised that Olive was charged with assault and battery and breaking wristwatch of inspector in charge. Night police clerk advised us to return about 9 a. m. July 7 and that we could bring Olive food.

Approximately 8:30 a. m. July 7, before going to Wayside, Supple learned that an Indian guard, Boor Singh, employed Italian Consulate General, was detained at Wayside during time Olive was brought in. Approximately noon Boor Singh reported verbally to Meyer and Supple:

"Approximately 5 p. m. Olive brought into Wayside station, taken to a back room, approximately 10 minutes later Olive brought back to front counter. Olive argumentative, hit the counter with hands two or three times, several other police officers came in and one took hold of Olive's arm to pull him away, Olive reached for the counter and pulled a letter box off the counter, splashing ink in his own face and over his clothes, also clothes of police officer, whereupon blows and kicks were exchanged between Olive and police officers, Olive being knocked to the floor and handcuffed after which police officers kicked and beat him. Olive kicked back and one police officer drew his gun threatening to shoot, Olive begged for mercy, was told to enter the detention cell with Boor Singh and two Chinese. Olive refused and
was picked up bodily and thrown into the cell. Olive later asked to use phone but police refused to listen. Boor Singh stated he was released approximately 6:15 p.m., Olive remaining in the cell."

Nine-thirty this morning Supple went with Meyer by car to Wayside district police station taking breakfast food. Chase for reasons close personal friendship with Olive (rather than official function) accompanied them with idea remaining background in car but available for possible consultation. Upon approaching entrance (Muirhead Road) to police station compound, they found two police and two military sentries at gate. As sentries made no sign objecting to car’s entrance and as Supple had brought in car without difficulty previous evening, they drove car into compound and Supple, Meyer entered building. Chase remained in car. Supple, Meyer approached duty police sergeant explaining politely they came from Consulate General with purpose inquire regarding welfare and charges against Olive and requesting if possible see officer in charge. Sergeant referred inquiry to near-by civilian dressed man, evidently political commissar, who answered curtly that they could see nobody. Sergeant repeated statement and refused further talk on ground no interpreter had been brought. When Meyer proved his ability speak Chinese, he said no recognition the American Consulate General and matter “ordinary” affair involving foreigners. Supple, Meyer then asked whether as private citizens they could give their food to Olive and referred to Mao Tse-tung’s eighth point regarding protection foreigners. Such approach proved no avail and Supple, Meyer then left building. As they were about to rejoin Chase in car, sentry indicated car would not be permitted to leave compound. Returning to building to inquire reason this action, Meyer met police officer (former acquaintance on Settlement police) who offered to get permission for car leave. At this point, however, order came, apparently from political commissar, summoning Chase, Supple, Meyer to “lecture” room. Here commissar informed them they had been guilty “serious” violation regulations in bringing car into compound rather than first alighting and approaching gate on foot to request permission enter. When Consulate General officers expressed regrets for having been unaware of such regulations of which sentries had given them no indication commissar proceeded harrangue them at length in loud and most abusive, insulting manner. Main lines of his attack were:

1. Who do you think you are, behaving thus, having nerve to drive straight into compound? Do you take us for dance hall or public place? What was your idea of coming here in first place? (A simple reply they had come to inquire regarding Olive was ignored and followed by renewed tirade.)

10 For summary of Mr. Olive’s account of affair, see telegram No. 2678, July 9, 7 p.m., from the Consul General at Shanghai, p. 1220.
2. We don’t recognize American Consul General and Americans no longer have any voice in China. During Kmt they could assume airs and attitudes, but that is all finished: All foreigners must now obey our laws or be punished—Consulate or no Consulate—which means nothing to us.

3. Do you realize how serious this offense is? We could shoot all of you right now for it. If you had attempted to drive away in car, our sentries should have shot you.

4. If you foreigners want to go back to your countries, so much the better. But first we shall find out if you are good or bad people (implication obvious). At several points Consulate General officers, with careful effort to speak with courtesy and restraint, and believing useless if not dangerous attempt argument, reiterated quietly their regret at having been unaware of violated regulations. Each such “apology” elicited renewed outburst of sarcastic sneers regarding “meaningless apologies” and further vituperation. Was clear that commissar, whether or not considering more extreme action, was determined do everything possible humiliate Consulate General officers before large crowd of police, military personnel, onlookers. More crowd gathered, more loud and aggressive he became. Consulate General officers were addressed as if criminals and kept continuously standing. He finally produced paper and told Chase, Supple, Meyer to write (1) personal history (with details former occupation), (2) explanatory statement why they had ventured visit police station, and (3) apology. He then said such statement would be sent police headquarters (“where full information to verify statement would be available”) to verify “whether good or bad people”. Said he assumed we wanted go back to car and asked whether would agree write such statements. If so, would be released from detention provided statements seemed to justify. Believing that nominal compliance under duress would satisfy police and be preferable to refusal and incarceration, Consulate General officers and Meyer wrote desired statements about 1½ pages each providing routine facts and statement to effect “it is to be regretted that through unawareness violated regulations”. Upon completion statements police constable took them to next room (to which commissar had meanwhile removed) and after about 3 minutes returned to state all three could leave in car. He added that hereafter should clearly realize that any matter for discussion with police should be taken up with Alien Affairs Office Bureau Public Safety and never with police station direct.

During period when written statements being prepared, there was apparently made from next room phone call to police headquarters concerning case. Chase, Supple feel headquarters probably directed prompt release and that without instructions they and Meyer would very likely still be detained.

After departure from police station it was learned from Consulate chauffeur who drove car that he also was quizzed by police. Among other things, they asked him which one of three Consulate General representatives was Consul General (to which he answered “none”
they are all employees) and stated that he was a bad man for working for the Consulate General.
Repeated Nanking 1468.
Department pass Peiping in its discretion.

123 [Olive, William M.]: Telegram
The Secretary of State to the Ambassador in China (Stuart)

WASHINGTON, July 7, 1949—6 p. m.

793. Re Shanghai’s 2646 Jul 7 rptd Nanking 1468, gist being telegraphed Peiping by Dept. If not already done, Emb shld immediately make protest to appropriate Chi Commie auths in strong and forceful term re arrest, beating, detention incommunicado Vice Consul Olive. Dept recommends immediate oral protest to Alien Affairs Bureau to be fol by written memo detailing facts in case as outlined by ConGen Shanghai but leaves final decision as to method protest to discretion Emb. Emb shld impress on Commie auths that US Govt takes extremely serious view this flagrant violation established internatl law re treatment consular officials. Emb shld also protest on humanitarian grounds insulting and arbitrary treatment accorded consular officers who went to police station merely to inquire re Olive and bring him food.

ConGen Peiping requested take similar action.

ACHESON

102.22/7-749: Telegram
The Secretary of State to the Consul General at Shanghai (Cabot)

WASHINGTON, July 7, 1949—9 p. m.

1358. Ur tel 2643 July 7. Dept considers procedure you proposed in para 4 as best move at this time and suggests it be followed.
Navy now has under consideration ur suggestion concerning special negotiators, which we agree would be desirable if feasible.

ACHESON

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96 Repeated to the Consul General at Shanghai as No. 1356 and to the Consul General at Peiping as No. 417.
97 Telegram No. 418, July 7, 6 p. m., not printed.
98 The Consul General at Peiping in telegram No. 1151, July 10, 10 a. m., reported he had sent letter on this matter that day to the Headquarters of the Communist “People’s Liberation Army”.

WASHINGTON, July 7, 1949—9 p. m.

1359. Urteil 2627 July 6. The Dept inclines view favorably ur departure with Amb ¹ on date now tentatively set Jul 15. Chief problem possible unfavorable reaction Amer community Shanghai ur departure this critical stage. Seems little or no likelihood ur successor could arrive Shanghai near future both because absence transportation facilities due closure port and question Commie documentation for his entry.

If decision made authorize ur departure, Dept desires McConaughy ² assume charge time ur departure. Dept chose McConaughy Shanghai assignment with view having him assume charge during ur temporary absence or interregnum prior arrival ur successor and his executive officer functions given him with such possibility in mind. Subsequent this decision Chase promotion has made latter ur senior subordinate but Dept continues believe McConaughy should assume charge in event ur departure in view his special qualifications and his being chosen for that purpose. Dept certain Chase will appreciate its continuing confidence in him and desire afford him fullest opportunity devote time important polit reporting and problems requiring Chi language officer’s special qualifications.

Dept would appreciate ur comments foregoing prior making final decision re ur return US.

ACHESON

701.0993/7-849 : Telegram

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

SHANGHAI, July 8, 1949.
[Received July 8—9:27 a.m.]

2656, Ta Kung Pao and other local papers including North China Daily News July 6 carried the following item:

"Day before yesterday, Alien Affairs Section of Public Safety Bureau of Shanghai City Government set up a station at the North Station for inspecting foreign travellers. The work of this station is to inspect travel permits of foreign travellers going in and out of this city and to assist railway guards to inspect their luggage.

"From now on, Embassy and Consulate staff and newspapermen of imperialistic countries who formerly enjoyed special rights under Kmt

² Not printed.
¹ For documentation regarding departure of Ambassador Stuart, see pp. 723 ff.
² Walter P. McConaughy, Consul at Shanghai.
reactionary rule will be subject to inspection by inspection officers of People's Government."

Sent Department; repeated Nanking 1477, Canton.

123 Olive, William M.: Telegram

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

SHANGHAI, June [July] 8, 1949—5 p.m.
[Received July 8—9:58 a.m.]

2658. Chinese reporter for UP was told by guard at Wayside police station this morning that Olive was injured three places on left side in course of fight evening July 6 with police officers. According to this source, Olive's original offense was that his car, along with several others, obstructed line of march Communist parade. Olive was only offender singled out and taken to police station. Report continues [that] Olive objected strongly to this discrimination. He was overruled and sentenced to 24 hours in jail on spot. He protested vigorously and insisted he be permitted pay fine in lieu jail sentence. Again overruled and was being taken away when he apparently overturned desk or table he was trying to hold to. Fight then started with Section Chief. Several policemen came to assistance Section Chief and administered severe beating. Guard added Olive held absolutely incommunicado, not even Chinese unconnected police station can see him. Guard asserts police made persistent efforts July 7 to induce Olive sign complete apology which he steadfastly refused to do, thus compounding offense in Communist view.

Foregoing report, of course, cannot be taken as unimpeachable but probably worthy some credence.

Repeated Nanking 1478, Peiping 196.

123 Cabot, John M.: Telegram

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

SHANGHAI, July 8, 1949—7 p.m.
[Received July 8—7:38 a.m.]

2660. Reurtel 1359, July 7. Greatly appreciate Department's sympathetic views. I believe most of American community here knows that I postponed my departure leave since this was published in May as item to instill confidence during turnover. This plus fact that many in community know I have been recurrently ill for some months should
help explain departure. I agree some unfavorable reaction will inevitably result but since community has great confidence in and liking for McConaughy I think such reaction will not be very serious. Despite distinctly unfavorable turn which events have taken since early June, it is still true Consulate General can do but little for Americans and their interests here under present circumstances. Department will appreciate that most serious cases handled by Consulate General have involved Consulate General itself. Chase has taken decision in ingenuous and cooperative spirit.

Should Department contemplate action in accordance with my telegram 2642, July 7, paragraph 11, it might be advisable for me to stay until this operation completed but I have misgivings whether my health will stand up under indefinite strain of present conditions. Although Ambassador’s target date is July 15, I think it doubtful he will be able to get off so soon.

CABOT

123 Olive, William M.: Telegram

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

SHANGHAI, July 8, 1949—7 p. m.
[Received July 8—12:46 p. m.]

2661. Re Vice Consul W. M. Olive arrest. Afternoon July 7, a consular officer called upon a close foreign contact including police to discuss case. Contact was pessimistic and stated Olive’s obstreperous attitude complicated case to extent that effective action could not be taken. He said that since every department in police stations is now under supervision of Communists, police intervention could not be made; since he now could not trust many of his closest former colleagues, inquiry into case would have to proceed with caution. Together consular officer and representative called on a department head of Chinese police at his home and again discussed case. The Chinese was quite shocked at Olive’s action and called case hopeless so far as early release is concerned. Stated if Olive insisted on his rights as a Vice Consul and member of American Consulate, case would assume a political color and be immensely implicated [complicated?]. He also of opinion that if there are Consulate markings on jeep, that fact would be involved in case.

Both contacts advised strongly that Consulate General consider seriously advisability of treating case as purely civilian incident in which Consulate General has no responsibility. They were of opinion that initial Consulate General interference only magnified case in eyes

of police authorities and any subsequent interference would have no beneficial effect unless case does not assume political importance.

Suggested that only presently effective line of action would be Mrs. Olive write in Chinese petition addressed to Commissioner of Police and deliver to Foreign Affairs Commission of Police by Mrs. Olive in person. This would eventually be given to above Chinese contact who would take whatever action possible as circumstances permit. The petition should be written in sentimental way in which she declares her love, worry, concern for her husband, admits that some trouble must have occurred and that she sincerely apologizes for what he did, indicating his actions were result of his great concern for her health, asserting she has been seriously ill for several weeks. Contacts could not indicate result of such petition but opined it might be of great assistance.

Contacts stated that a doctor would not be permitted to see Olive. They were confident he would be held for several months before sentence and sentence could be several months more or even year.

Consular representative plans dinner with contact tonight at which time official as well as unofficial police version of story will, it is hoped, be provided.

Sent Department, repeated Nanking 1480.

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102.22/7-849: Telegram

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

SHANGHAI, July 8, 1949—7 p.m.

[Received July 8—11:59 a.m.]

2662. Re mytel 2643, repeated Nanking 1465, 7th. Thomas designated represent Consul General in discussing ex-Navy employees severance pay contacted Foreign Affairs Section Bureau Public Safety through Chinese interpreter 8:30 a.m. That office denied any knowledge of appointment, said not within their jurisdiction, should be referred Foreign Affairs Bureau SMCC. Thomas then had Chinese assistant contact officers from Whangpoo station with whom appointment initially made. Latter likewise said affair not within their jurisdiction and referred Consul General back to Foreign Affairs Section BPS. Latter then arranged appointment with SMCC Foreign Affairs Bureau 11 a.m.

Female representative SMCC first met group 6 ex-Navy employees approximately 30 minutes, then called Thomas. First inquired reason of visit and nature of request. Thomas replied meeting arranged pursuant request SMCC officials and Cabot evening 6th when pickets removed from Consulate General. SMCC representative then said
since matter not previously reported would like written outline entire matter. Thomas presented brief prepared statement in Chinese. SMCC representative said more detailed statement sequence events and position “capital versus labor” needed for study and decision higher authorities. Thomas pointed out that while glad to discuss matter with claimants and/or authorities with view to early solution Consul General representing sovereign power could not accept decision or arbitration by authorities since such would not conform applicable principles international law. Thomas reiterated Consul General not authorized represent Navy except as transmitting agency and not able act in capacity employer.

SMCC representative replied there are always two parties to every dispute and that in absence of Navy, Consul General should represent capital in matter. Thomas agreed submit new written résumé but pointed out this would involve further delay in effecting any payment whereas Consul General now almost ready effect payment accordance terms outlined AstALUSNA’s 270957Z⁴ and inquired whether Consul General should proceed such payment next week, mentioning rising commodity prices and increasing evidence bad temper claimants. SMCC representative said first submit written statement and await reaction higher authorities before making settlement. Thomas pointed out that in view increasing pressures claimants as demonstrated 6th further violence might be anticipated meantime unless authorities intervene. SMCC representative said in event such violence or incident report by phone to that office. Thomas replied three such phone reports made afternoon and evening 6th in addition police reports but that no assistance forthcoming until after staff detained approximately 10 hours. SMCC representative replied that holiday 6th and absence from office responsible for lack assistance that day.

Unless instructed to contrary will withhold settlement proposed 270957Z and await developments. However, visualize danger being ordered by authorities to effect settlement along lines demands workers with possibility further violence and prolonged siege Consul General. Even more dangerous possibility is that ex-Navy employees now organized only as each may join one of large labor unions, thereby increasing proportion pressure and possibility larger incidents accordingly. Latter possibility first suggested by SMCC officer night of 6th.

Sent Department 2662, repeated Nanking 1481.

Department pass to CNO & ComNavWesPac.

**CABOT**

⁴Same as No. 2519, June 28, 10 a.m., from the Consul General at Shanghai, p. 1189.
CONSULATES IN OCCUPIED AREAS

123 Olive, William M.: Telegram

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

NANKING, July 8, 1949—8 p.m.
[Received July 8—12:35 p.m.]

1460. [To Shanghai:] I attempted to make appointment with Huang Hua this morning to discuss detention Vice Consul Olive (Deptel 793, July 7 to Nanking, repeated Shanghai 1356). Huang asked Philip Fugh to come to see him first in order that he might be prepared for subject of my interview. This seemed reasonable preliminary and I agreed.

After Fugh had recounted briefly predicament Vice Consul Olive and purpose of my anticipated call on Huang, latter replied that CCP would accept no protests from any foreign governments since no diplomatic relations existed between CCP and any foreign nations. He stated that he had no knowledge of circumstances case of Olive but assumed that latter must have violated traffic regulations during military parade July 6 and had thereupon been taken to Public Safety Bureau; that upon arrival there he must have acted "in arrogant manner, insisting on his position", thus aggravating officials of PSB. Huang added that PSB officers are not allowed to strike anyone except in self-defense.

Fugh, knowing that I had intended to ask Huang in my interview to convey circumstances of complaint to Peiping, suggested such action to Huang, to which latter replied that he could not do so without offending authorities in Shanghai; that Shanghai was out of his jurisdiction. When Fugh pointed out that Consulate General Shanghai had been unable to reach Director Aliens Affairs Bureau because Shanghai director was on honeymoon, Huang agreed this was "very unfortunate". He told Fugh that best way to solve Olive case would be (1) to investigate facts of case and determine what actually happened; (2) to take no action based on "one-sided story which might have been sheer fabrication", and (3) case should be left in hands of PSB to settle.

Result of Fugh's conversation is that Huang has in effect refused to do anything in this case and I shall not make further attempts to see him thereon. I likewise consider it useless to send written protest at lower level which would only be rejected without reply on ground that our official status not recognized.

I can only suggest that Cabot continue efforts to see Chang Han-fu personally. Since one of our immediate objectives is to secure medical aid, proper diet and legal counsel for Olive, I suggest initial approach to Chang might better be on humanitarian basis, including request for Consulate General doctor to visit him promptly, suitable food made

Chang Han-fu.

552-963—78—77
regularly available to him, and member of Consulate with legal counsel be permitted to interview him promptly. Protest re flagrant violation established international law and general discussion assurances re future treatment American officials and private citizens Shanghai might well be taken up later after above minimum essentials secured.

Sent Shanghai 817, repeated Department 1460.

STUART

102.22/7-749: Telegram
The Secretary of State to the Consul General at Shanghai (Cabot)

WASHINGTON, July 8, 1949—8 p. m.

1371. Urtel 2643, July 7, last paragraph. Navy states it is prepared to send Shanghai two men equipped with info and powers negotiate ex-Navy employees: Lt. D. W. Denton, former Asst. Supply Officer Nav Port Fac, and E. A. Sompayrac, civilian of Industrial Relations Dept.

Pls explore and report soonest passport documentation needed, possibilities obtaining permission Commie authorities for entrance and firm assurance exit plane, crew and two men, having in mind adequate local warning and safety plane’s arrival Shanghai. Comment on preferable point departure whether Formosa, Korea, Hong Kong or Okinawa.

Navy advises it is willing in extremis to make funds available for negotiations on fully equitable basis.

ACHESON

128 Cabot, John M.: Telegram
The Secretary of State to the Consul General at Shanghai (Cabot)

WASHINGTON, July 8, 1949—8 p. m.

1374. Fd consideration urtel 2660, July 8, Dept approves ur return Washington on consultation returning US on Attaché plane with Amb. Authorization this travel contained Deptel 1355, July 7.6

ACHESON

811.42700(R)/7-949: Telegram
The Consul General at Shanghai (Cabot) to the Secretary of State

SHANGHAI, July 9, 1949—1 p. m.

[Received July 9—5:48 a. m.]

2672. Liberation Daily reports today Olive has tendered written apology to police admitting following offenses: Violation of traffic

6 Not printed.
regulations, refusing to report name to police authorities, beating up police officers, damaging property Public Safety Bureau. Apology gives assurance that similar incident will not occur in future and states that during detention Olive had not been given any maltreatment.

I suggest this be played up by VOA as typical example of Communist propaganda. From at least two impartial sources in position to know facts it is clear Olive was severely beaten (although in fairness resisting authority) and that he was placed in filthy cell with other prisoners incommunicado and without being allowed to have food sent him. I believe it is important to let as many people in China as possible know how much one of these apologies is worth.

Pass to VOA New York.
Sent Department; repeated Nanking 1491.

CABOT

123 Olive, William M.: Telegram

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

SHANGHAI, July 9, 1949.
[Received July 9—4:02 a.m.]

2674. Chieh Fang Jih Pao, July 9, carries following story on arrest of Vice Consul Olive:

"As reported yesterday, on July 6, Wm. Olive, American national, refused obey police, violated traffic regulations, and was taken Wayside public safety station for questioning. He attacked policemen during interrogation. Authorities realized he lost his reason and placed him under arrest. After continuous exhortation he formally admitted guilt and said reason for rude arrogant action was that he is American Vice Consul.

"Officer told him no diplomatic relations with any foreign government and so all foreign residents subject People's Government protection and jurisdiction in private capacity. Even after establishment formal diplomatic relations foreign consular officials should not violate laws and regulations People's Government. Olive admitted his fault and personally wrote apology and willingness compensate police officers for damages he caused.

"Apology stated: I, Wm. Olive, former Vice Consul of American Consulate General, admit that while Liberation Army was parading—I violated traffic regulations and was taken to Wayside public safety station. At station I refused give my name, thus preventing officer in charge identifying and handle my case. When told I was to be detained I became so excited I beat up two police officers, damaged station property and acted rudely toward police officers. I committed serious error and admit following offenses: Violated traffic regulations; refused report name to authorities; beat up police officers; and damaged property of station. I am willing tender apology to insulted officers and pay expenses for damages and loss to station. I give assurance that similar incident will not recur in future and that I will abide by laws and
regulations of People’s Government and behave like law-abiding foreign resident. I beg authorities deal with this case leniently. I realize my fault and after re-examination, regret my actions. During my detention I have not received any maltreatment. (Signed) Wm. Olive.”

Sent Department; repeated Nanking 1493, Canton. Department pass VOA, New York.

CABOT

102.22/7-949: Telegram

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

SHANGHAI, July 9, 1949—4 p.m.

[Received 7:04 p.m.]

2677. Consul McConaughy accompanied by interpreter Ernest Tung called Foreign Affairs Bureau July 8 to discuss siege of Consulate building July 6 [by] ex-Navy employees, maltreatment Vice Consul Olive [in] Wayside police station. He had appointment with Director Chang Han-fu who did not appear. Conversation held with Feng Chih-ho, second in command. Verbatim transcript in Chinese made by Communist steno. When McConaughy refused to accede to Feng request that he change designation on appointment slip from “American Consul” to “ex-American Consul”, mutually agreed to insert “American citizen” instead.

1. Siege of Consulate building. McConaughy outlined facts ten and half hour siege Glenline building afternoon and evening July 6, stressing lawlessness and irresponsibility action taken by mob; seven and half hour delay of police in taking action notwithstanding repeated phone appeals to both FAB and police officials from 2 p.m.; denial of freedom movement Consular staff which was confined without benefit of suitable eating or sleeping facilities until after midnight.

Feng objected to use of term “mob”, actively defending ex-Navy employees. McConaughy pointed out that group used physical force and intimidation to prevent staff from opening Consulate gate; trespassed on Consular premises by forcing way over adjoining roof and wall; stationed lookouts at top barbed wire fence to threaten staff members who might endeavor to leave by adjoining British compound; and were raining blows on back door Consulate General in effort to break it down when police finally arrived. This corresponded to general conception of what constituted a mob.

Feng argued Consulate General erred in not admitting entire throng of demonstrators to Consulate General “for negotiation”. He said when we barred our doors against them it amounted to refusal to bargain and put Consulate General entirely in wrong. McConaughy said we had refused and would continue refuse negotiate under duress.
Even though Consulate General was not party to dispute between workers and US Navy and could only act as channel transmission it had never refused discuss issue in orderly way with small group representing workers. Consulate General was still ready talk at any time with appropriate group if no coercive tactics applied. In fact at that moment Mr. Thomas was discussing case in another room this building.

Feng said even though former Consulate General had acted mistakenly police would have come promptly to investigate case in response our appeal had it not been for holiday parades afternoon and evening July 6 which interfered with normal police activity. McConaughy said obligation on authorities to maintain law and order continued on holidays same as working days.

Feng said action of workers did not infringe law or order. McConaughy asked if authorities proposed give workers free hand when disputes not settled to workers’ full satisfaction. Feng dodged this query, saying crux of matter was mere question final wage settlement susceptible of immediate settlement without raising any larger issues of protection rights. McConaughy said in his view issue was extent to which authorities would permit workers use violence satisfy their demands. He insisted on reply, saying that Consulate General was entitled to know whether it was exposed to possible renewal of siege so that plans could be made accordingly. Feng said he could not give any assurances workers would be prevented by authorities from renewing siege if we failed to reach settlement with them. There would be no excuse for failure to reach solution and People’s Government would not assume responsibility for consequences. McConaughy mentioned his belief that such a stand would have serious and far-reaching consequences for American interests in China and inquired if Feng’s position had sanction of principal Communist authorities. Feng replied somewhat obliquely stating Mao Tse-tung never intended first part of his 8 point re protection of law-abiding foreigners to apply to foreigners whose actions were not in harmony with interests of people. Implication seemed to be that since legal codes have been abolished term “law-abiding” is to be construed very loosely and that any person or firm not complying completely with wishes of new regime would be deprived of right to protection.

Throughout interview Feng endeavored to turn discussion to merits of wage dispute while McConaughy persistently brought conversation around to right of Americans to official protection from mob violence and threats of mob violence. McConaughy said he was not there to discuss pros and cons of dispute which were receiving careful and sympathetic attention in Navy Department which would make reasonable offer as soon as payroll records now dispersed could be assembled. He reiterated that regardless of merits of case we took emphatic exception to workers’ action and police indifference thereto. Feng said
workers had a good case, workers had been terminated very suddenly and were entitled consideration. McConaughy said we were sympathetic to economic plight of workers who are still without employment but he did not suppose Mr. Feng was intimating that US Navy had left too soon or should give them renewed employment.

McConaughy said he thought Communist position was lacking in logic. If Communists acknowledge our official position as they seemed to do by holding us responsible for claims against a US Government agency we were entitled under universally accepted international usage to protection as an agency of US Government; if on other hand Communist maintained we were only “former” Consular officers and were now merely private citizens we could not be held responsible as private citizens for claims against US Government. Furthermore if Mr. Feng persisted in alleging it was the “former US Government” which was involved (a phrase he had used several times) how could he maintain that claims could be enforced against a government not in existence in Communist view? Although Feng showed considerable mental agility throughout interview he stumbled on this one and said “former US Government still exists”. When this evoked a laugh he covered up by saying while the “former” American Consular officers here were merely private citizens now they could not escape responsibilities which they inherited from period when they were duly recognized by Kmt Government.

McConaughy ended discussion of this subject by asking it be put on record Consulate General would call on authorities to disperse demonstrators if they should again lay siege to Consulate building and would expect effective action to be taken. Present regime would be responsible for any failure to fulfill its minimum protective obligations.

Feng felt he must have last word; cautioned McConaughy he was only private citizen and could not speak for any “former Consulate General” or “any unrecognized government”; furthermore possibility of renewal of siege was purely hypothetical.

Separate telegram re maltreatment Vice Consul Olive follows.\(^7\)
Department’s discretion pass excerpts Peiping.\(^8\)
Sent Department 2677; repeated Nanking 1496.  

\(^{7}\) See telegram No. 2679, infra.
\(^{8}\) Marginal notation: “Not passed.”
CONSULATES IN OCCUPIED AREAS

123 Olive, William M.: Telegram

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

SHANGHAI, July 9, 1949—8 p. m.
[Received July 9—1:38 p. m.]

2679. Re Cong Gentel 2677 to Department; repeated Nanking 1496. Following is continuation McConaughy interview with Feng of Foreign Affairs Bureau.

Maltreatment of Vice Consul Olive. Turning to case of detention incommunicado, reported beating Vice Consul William Olive, McConaughy outlined story which Consul General had pieced together from fragments information obtained various private sources. McConaughy made it clear no complete or authoritative account of incident could be given authorities because of their own conspicuous omission to notify Consulate General of incident and give its officers access to Olive and to witnesses. McConaughy said investigations were started by Consulate General at about 11:30 p. m. July 6 when Olive had been missing for about 10 hours. Consulate General had received apparently well-founded unofficial reports Mr. Olive had been severely beaten at Wayside police station after being brought there for minor traffic infraction. McConaughy remarked that refusal of authorities to allow Consulate General to communicate with Olive, concealment of nature of charges, refusal to permit food for him to be brought in from outside and denial of medical attention were all gross violations of international law and usage and well below recognized minimum standard of conduct expected of every member of family of nations.

Feng asked if Mr. Olive was a former American Vice Consul. McConaughy replied that he was an American Vice Consul. Feng said he must be considered as former Vice Consul. Feng asked on what basis McConaughy interceded on Olive’s behalf. McConaughy replied he was doing it as a representative of American Government and as an office associate and friend of Mr. Olive’s and that Mr. Feng could take his choice of capacity in which he wished to view McConaughy. McConaughy told Feng Olive was an employee of US Government which Mr. Feng in discussing siege case had admitted was still in existence. McConaughy urged he be given an official statement of charges preferred against Mr. Olive. Feng referred to official Communist version of case which appeared in Liberation Daily News for July 8. McConaughy asked if it was to be taken as authoritative. Feng said it was merely a newspaper report. McConaughy then said reply was not responsive to his request and again urged he be given official statement concerning case.

Feng said McConaughy was going beyond his prerogatives as friend of Olive’s; that McConaughy could not be given any information concerning case; no outsider could assist Mr. Olive and no one but Olive
would be informed at this time of exact nature of charges. McConaughy expressed dissatisfaction with answer and reiterated request for official information and right access to accused. Feng said he was unable to comply because matter was exclusively within police jurisdiction; furthermore, he did not know case. McConaughy inquired if it would be fruitful for him to return in afternoon to obtain a reply after Mr. Feng had had an opportunity to investigate case. Feng said this would not be necessary as Mr. Olive had committed a certain offense as a private American citizen and would be dealt with by police without intervention of Foreign Affairs Bureau. McConaughy said Consulate General was greatly disturbed by rumors Mr. Olive had been severely beaten by police; that report increased urgency of request for access to Olive on humanitarian grounds. It was quite possible Olive might need medical care which it was known police stations were seldom able to provide. Feng asked where McConaughy heard rumors that Olive had been beaten. McConaughy said report had come to Consulate General from anonymous sources so persistently and circumstantially it must be given some credence. Feng said rumor should not be credited; that police regularly give very good treatment to persons detained by them. McConaughy asked for official confirmation or denial report Olive had been beaten. Feng said he did not have information on this.

McConaughy mentioned articles 1 and 6 of treaty January 11, 1943 * providing that jurisdiction Chinese Government over nationals of US is to be in accordance with principles of international law and practice and that consular offices should be informed whenever their nationals are under detention or arrest or in prison or area waiting trial and shall thereupon be permitted to visit such nationals; and that US nationals shall have right at all times to communicate with consular officers; and that such communications from nationals under detention, arrest or in prison should be forwarded to consular offices by local authorities. McConaughy reminded Feng that this treaty was not included among so-called "treaties of national betrayal" listed by Mao Tse-tung, therefore he presumed it was acceptable to Communists and would be considered binding by them. Feng said it was an "old treaty" and was null and void since it had been negotiated with Kmt. McConaughy asked if all "old treaties" as Feng termed them were considered abrogated. Feng replied yes, any treaty not negotiated by Communist authorities was dead letter unless ratified by Communist Government. McConaughy remarked this slant on treaties had far-reaching implications. He said as to 1943 treaty, if present regime repudiated obligations of treaty, it was not entitled to benefits China derived from treaty which included relinquishment of extraterritorial rights by US Government. Feng said since China was sovereign state,

* Department of State Treaty Series No. 984, or 57 Stat. (pt. 2) 767, 768, 770.
Communist Government considered that extraterritoriality was illegal from outset and Communist Government did not depend on treaty for its abolition.

McConaughy brought up abusive treatment received by Consul Chase and Attaché Supple when they visited Wayside police station July 7 in effort to see Olive. McConaughy pointed out they were on humane mission, acted correctly and did nothing to warrant threats, insults, rebuff and lecture which they received. Feng said if Chase and Supple had any complaints to register they would have to file them personally with his office.

McConaughy said ranking authorities of present regime in China had indicated desire to establish friendly relations with foreign states. If two cases complained about were representative of manner in which new regime would meet its obligations, serious barriers to establishment of mutually beneficial working relations might be created. Feng said General Mao Tse-tung stated diplomatic relations between China and any foreign country would be founded on basis of equality and that foreigners would have to accord equal treatment Chinese. McConaughy said he believed Chinese were receiving equal treatment in US but in Shanghai some foreigners clearly were not receiving equal treatment; there appeared to be systematic campaign to humiliate foreigners. Feng asserted foreigners were receiving equal treatment and there was no truth to charge that campaign was afoot to humiliate foreigners. McConaughy said he hoped henceforth foreigners would receive fair treatment. Feng insisted they had received fair treatment since Communist takeover. Without arguing point McConaughy repeated he hoped foreigners would receive fair treatment. McConaughy said he wished to use statement for record. He hoped Mr. Feng would take careful note of it and that it would be passed to highest Communist authorities. He then said that under instructions from competent American authorities he was lodging an emphatic protest over maltreatment of Vice Consul Olive and condoning by authorities of lock-in of Consular staff in Consular building. The Government of US took extremely serious view of both these cases. Local regime was considered to have flagrantly violated obligations inescapably assumed by it when it took over government of this city. Disregard of international obligations and basic human rights by this regime could not fail to be noted with apprehension in many foreign capitals where the record of new regime in North and Central China was under close scrutiny. Feng said since there were no diplomatic relations between US and China, he was not prepared take note of these words. (However, his stenographer took statement down verbatim and emphasis and solemnity of statement clearly were not lost on Feng.) Feng then said statement read into record by McConaughy would be transmitted to highest Communist
authorities but only as personal views of McConaughy. Feng courteous throughout, maintained slightly quizzical set smile which masked his undoubted realization of seriousness of issues he was required to dodge by mouthing party line clichés.

Sent Department 2679; repeated Nanking 1498.

Cabot

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123 Olive, William M.: Telegram

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

Shanghai, July 9, 1949—7 p. m.
[Received July 9—1:15 p. m.]

2678. Five p. m., 8th, plain-clothes officer from Wayside police station called on Mrs. Olive her apartment. Brought letter from Olive wherein he admitted “serious errors”, reported “good treatment” and asked for clothes to be sent him and money readied (about US $50) to pay “damage he had caused”. Officer tried impress Mrs. Olive husband unhurt, well-treated and intimated hope for speedy settlement his case which was not serious except for fact that “he had to be reeducated”. When she asked why neither she nor others had been permitted see him for 2 full days, officer replied Olive had refused give his name so case could not be handled. Said nobody could be present when case came up for decision. However, promised notify Mrs. Olive next day so she could see husband if not already released.

Olive released about noon today, allowed return home accompanied by wife whom police had summoned by phone. Consulate General will shortly submit his detailed story, salient points of which follow:

After leaving Consulate General about 1:30 p. m. of 6th, Olive had crossed Garden Bridge, was proceeding along Broadway, with no parade within sight when police signaled him to turn off small side street. As way blocked by 2 carts he sounded horn, halfway cleared and was about proceed when several heavily armed Communist soldiers apparently infuriated over coolies being forced make way for foreigners came up and compelled him back all way to Broadway. On reaching Broadway he started return to Consulate General and was nearing Garden Bridge when civilian police halted him in rough manner. Same group of soldiers then appeared, harangued him, forced him wait about 2 hours, then took to Wayside police station.

He was held but few minutes at Wayside during which a friendly sergeant (take-over from old regime) warned him he was in for bad time being foreigner and regretted his lack authority permit Olive to phone Consulate General. Then take[n] to Foochow Road central police station Office Alien Affairs where only subordinate in charge (as result parade holiday) characterized matter as “very minor of-
fense” and issued written instruction for return Olive to Wayside station for quick settlement case.

On return Wayside sergeant started reassure Olive regarding release when noted that central police official’s written order had been amended by Wayside officer to read “is to be detained”. During ensuing talk with sergeant, Olive, while appealing for sergeant’s intercession to prevent detention, was gripping and leaning on intervening table edge. Soldiers reappeared and forcibly jerked him away from table, causing him lose balance, knock ink wells and cup from table and himself fall to floor, one arm inadvertently striking soldier as he fell. Soldiers, tempers inflamed, instantly surrounded him, striking him with gun barrels, etc., and terrifying him to point where he resisted in instinctive self defense.

He was then put in handcuffs (which not removed for almost 24 hours), brutally beaten up about body and legs and then hauled to preliminary detention cell (housing 3 other prisoners including Indian information source previously reported by Consulate General). Later was taken to another cell in which were already crowded 15 poor Chinese who treated him kindly, even offering tea.

Next morning he was compelled (with armed soldiers surrounding) to write “full confession” of guilt for various offenses including assault and original traffic “violation” (driving on a street which it appeared was among those declared reserved for parade in announcement made noon of 6th—quite unknown to him). Drafted 3 statements none of which satisfied police who then made him write 4th statement with virtually every word dictated by them. During this and various other humiliating points of his experience he was repeatedly photographed. In connection with this and other shorter statement which he was later forced to sign (including apologies to prison guards and people municipal government) he was also pressed to include denunciation of American Government—which he managed evade fairly well.

Following preparation of his confession he was given farcical “trial” charged with no less than 8 offenses, lectured lengthily (several times) on American Government’s sins, manner in which foreigners should conduct themselves under people’s regime, etc. Was then compelled write down summary of what had been told him.

Following trial he was taken solitary confinement cell in which, while lying, was not even allowed turn over and while sitting forced maintain painful crouched position for hours—at point of guards’ guns.

Only nourishment he received during entire stay police station was bread and water—not enough water.

His requests for doctor examine his injuries were refused. He was not even permitted wash till shortly before release.
Such was severity and brutality of his treatment he cannot even recall clearly sequence and character events during latter part his detention—is hazy for example as to number and differentiation of apologies he was forced sign. He clearly recalls however that subsequent to trial he was twice forced make additions to his original confession: First, that he had been well treated and “suffered no injuries while under detention” (phrasing which Olive finally accepted as at least technically correct—injuries being inflicted before detention); and second, that his confession was made voluntarily.

About 3:30 afternoon 8th Olive noted sudden marked change in attitude of his jailors (McConaughy called at Foreign Affairs Bureau at 11 that morning); they became solicitous even to point offering him foreign cigarettes, asking him write wife, etc. Before his release they had him washed, shaved, barbered.

In connection with his apologies he was forced to make 3 waist-deep bows while photographers took pictures.

Before leaving Olive required pay fine. Actual cash paid over only JMP 10 30500. But jailors had apparently deducted other amounts for “expenses” from cash on his person.

Preliminary superficial exam indicates Olive’s bodily injuries probably not serious; but am of course having him thoroughly examined including X-ray—results to be recorded by physician’s certificates supported by photos of injuries. He is naturally in highly exhausted, nerve-shaken state—dreading further arrest and torture; and psychological shock believed probably more serious than bodily wounds.

This grim affair impressively confirms my conviction that no American now safe in China. True that sudden change in police attitude afternoon of 8th probably reflected orders for Olive’s release given by higher Communist authorities as result of Embassy’s and Consulate General’s intensive efforts; but fact that action was finally obtained by such efforts is no grounds of reassurance as to future in face of general dangerous attitude toward foreigners by rank and file Communists’ personnel.

Department will appreciate that release of full story may jeopardize Olive but may feel full release nevertheless necessary. My 2 statements reported separately were designed to explode police story without involving Olive.

I suggest Olive be moved from Shanghai as soon as unobtrusively possible—perhaps in the interim stop at Tientsin to ease exit permit question.

Repeated Nanking 1497.

CABOT

10 Jìn mín piào (Chinese Communist currency).
The Consul General at Shanghai (Cabot) to the Secretary of State

Shanghai, July 10, 1949.
[Received July 10—1:50 a.m.]

2683. I issued the following statement to the press immediately following release of Olive:

"I have instructed Mr. Olive, for his own protection, to make no public statement regarding his case."

After examining Olive, I issued the following statement to the press later in the day:

"I have only the following to add to what I said this morning. I have personally seen Mr. Olive's injuries. We have had him examined medically and have taken photographs. There is no doubt whatever that Mr. Olive was brutally beaten by the police and that any statements such as that which appeared in the Liberation Daily this morning were obtained as a result of the barbarous treatment he received. On the other hand, I am gratified and reassured to find that the higher authorities, once the matter was brought to their attention, arranged for his speedy release."

Repeated Canton 867; Nanking 1502.

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

Shanghai, July 10, 1949—4 p.m.
[Received July 10—1:58 a.m.]

2684. Several Consular colleagues have suggested to me a joint Consular protest at flagrant violation of Consular status in Olive case. Until I know Department's view I hesitate to find out whether all colleagues would join and how many would seek instructions.

Would appreciate Department's instructions.

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

Nanking, July 10, 1949—10 p.m.
[Received July 10—1 p.m.]

1470. [To Shanghai:] Embassy following difficulties with ex-Navy employees [with] closest attention and sympathy and has been endeavoring devise some helpful course action (Contel 2643 to Department
July 7). Embassy offers following suggestions for Consulate General’s reference wherever they may appear useful.

Following points should be impressed on authorities:

(1) Members Consulate General as individuals have no responsibilities either to Navy or to Navy employees.
(2) Consulate General as organization is merely channel for transmission requests to US Government and agency to execute Government’s instructions.
(3) Claims of Navy employees must be presented in orderly and proper form if Consulate General is to receive and transmit them. Mob action neither orderly nor proper, particularly if bonus is requested as gratuity.
(4) If bonus is demanded as obligation, Navy employees have 2 conceivable avenues approach:

(a) Court action, which, however, not available since Consulate General as agency US Government exempt for jurisdiction and claims against US Government likewise outside jurisdiction.
(b) Approach by local authorities on behalf Chinese nationals.

If Consulate General’s attempts settle directly with claimants are finally unsuccessful and it becomes evident that bonus is demanded as US Government obligation, claimants’ only lawful recourse is to request local authorities act their behalf in pressing claims against US Navy as agency foreign government. Therefore if authorities consider these claims factually and legally justifiable it is their duty to Chinese nationals to act as their sole representatives and not as mere mediators.

Finally it should be presented most clearly and forcibly to highest available local authorities that obligation to prevent violence rests on them and not on Consulate General. If they should permit violence to occur it would demonstrate unequivocally that they do not intend fulfill their oft-repeated pledges protect property persons foreigners.

Sent Shanghai 819, repeated Department 1470.

STUART

123 [Olive, William M. J: Telegram

The Secretary of State to the Consul General at Shanghai (Cabot) 11

WASHINGTON, July 11, 1949—7 p.m.

1382. Urtel 2678 July 9 rptd Nanking 1497, passed Peiping by Dept. On basis Olive’s account his treatment, Emb and ConGens Shanghai [and] Peiping shld make further strong protest to appropriate Commie auths (oral where possible, fol by written memo) against inhumane treatment; extortion from Olive and publication of statements contrary to fact; and conditions of confinement Amer Govt

11 Repeated to the Ambassador in China as No. 813 and to the Consul General at Peiping as No. 428.
official borne out by concrete evidence his physical and psychological state (which obviously at variance with description by local auths) as well as his own testimony. Reemphasize contravention internatl law and failure Commie auths observe customary procedures of an orderly regime.\textsuperscript{12}

\textbf{Acheson}

\textsuperscript{12} In telegram No. 1180, July 15, 5 p. m., the Consul General at Peiping reported he had made protest in a letter of that date to the Headquarters of the Communist "People's Liberation Army". He added that an unconfirmed report indicated that the Peiping Communist authorities were annoyed at the action of the Shanghai police.
383.1121 Kanady, Dilmus/7–1249: Telegram
The Consul General at Shanghai (Cabot) to the Secretary of State

SHANGHAI, July 12, 1949—6 p.m.
[Received July 12—9:24 a.m.]

2719. Consulate General has sent memorandum to Foreign Affairs Bureau re case American citizen Dilmus Kanady arrested June 27 result minor traffic incident June 26. He was given 48-hour jail sentence by police commissioner apparently without evidence or hearing of any sort. No appeal permitted. Sentence served in small cell without furniture or sanitary facilities.

Memorandum to Foreign Affairs Bureau recites reported facts and inquires if Kanady received trial or given right to appeal.

Sent Department 2719, repeated Nanking 1528.

Cabot

125.8571/7–1249: Telegram
The Consul General at Shanghai (Cabot) to the Secretary of State

SHANGHAI, July 12, 1949—6 p.m.
[Received July 12—7:34 a.m.]

2727. Tax Bureau has served demand on Consul General for payment taxes on Glenline building equivalent to more than $8,000 US currency. July 20 set as deadline date.

Endeavoring establish tax exempt status of Consul General building with Communist authorities. Also consulting Consular colleagues, several of whom occupy buildings owned by their governments. Appears we are the only Consulate served with ultimatum so far.

Instructions urgently requested for guidance in case our negotiations fail.

Repeated Nanking 1536.

Cabot

893.911/7–1249: Telegram
The Consul General at Shanghai (Cabot) to the Secretary of State

SHANGHAI, July 13, 1949—3 p.m.
[Received July 13—7:18 a.m.]

2740. Minér, American Asiatic Underwriters, local representative of Starr interests, is being held in his office by ex-employees of Shanghai Post with threat he will be kept indefinitely until some settlement made.

Police refuse to intervene.
Suggest publicity be given to this further example of labor violence condoned by authorities.
Sent Department 2740, repeated Nanking 1544.

**Cabot**

123 Olive, William M.: Telegram

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

**Shanghai**, July 13, 1949—4 p.m.
[Received July 13—8:36 a.m.]

2741. Remytel 2678, July 9. Following is substance combined medical report William Olive by USPHS Surgeon Schram and Shanghai physician McLane: Eighteen physical evidences of violence caused by beating with rifle butts, barrels and kickings. Far more serious than physical injuries are psychic trauma induced by humiliation, indignities, torture mental and physical, leaving him in state emotional instability exhibited by extreme unhappiness and apprehension. Medical state it urgent and essential his recovery be removed soonest and placed in area free from any traces of Chinese or Communism. Repeated Nanking 1545; Department pass Peiping 203.

**Cabot**

893.911/7—1349: Telegram

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

**Washington**, July 13, 1949—7 p.m.

1401. Urtel 2740. Dept believes time opportune to give publicity Miner as well as similar cases where violence condoned by authorities. Dept would prefer take occasion lodging of joint consular protest for this action. If joint protest unlikely or delayed please inform, in which case Dept will immediately proceed publicity these cases.

**Acheson**

123 McConaughy, Walter F.: Telegram

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

**Nanking**, July 14, 1949—noon.
[Received July 14—8:37 a.m.]

1520. [To Shanghai:] For Cabot. Reference Shanghai telegrams 2677 and 2679, July 9, to Department. Please inform Consul McConaughy that I was deeply impressed with forceful, intelligent manner in which he handled his July 8 interview at Shanghai Foreign Affairs Bureau regarding siege of Consular building by ex-Navy em-
ployees and maltreatment of Vice Consul Olive (Shanghai 1487 [1497] to Nanking 13). I hope excellent presentation of American case will have salubrious effect on Communist authorities and believe that in any case American views have been presented to Communists with clarity, logic and dignity which leave nothing to be desired.

Sent Shanghai 852 for Cabot, repeated Department 1520.

STUART

123 Olive, William M.: Telegram

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

SHANGHAI, July 14, 1949—5 p. m.
[Received July 14—1:49 p. m.]

2764. Re Deptl 1401, July 13. Consular body meeting called for 11 a. m. tomorrow. Beyond informing proponents we will agree to protest, have carefully refrained from any initiative in accordance with Department’s instructions. However, Brazilian colleague, who has been particularly active, says he is confident protest will be acceptable to practically all, if not all, Consular body. If too much wavering and abstention occurs, I shall take initiative to prevent ineffective protest. I shall, of course, bear in mind Department’s desire to have protest as broad as possible and I feel this will be agreeable to my colleagues.

Sent Department 2764, repeated Nanking 1554.

CABOT

102.22/7-1449: Telegram

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

SHANGHAI, July 14, 1949—9 p. m.
[Received July 14—9:58 a. m.]

2771. Department pass to CNO and ComNavWesPac. Letter comprising résumé entire affair ex-Navy employees requested [by] FAB July 8 (ConGentel 2662, 8th, repeated Nanking 1481) dated 9th was delivered by interpreter 11th. Latter also conveyed oral message urging immediate settlement basis presently authorized or prompt arrangement visit and negotiation claims by Navy team (Deptl 1371, 8th, repeated Nanking 802).

Although written plain bond and signed without title, letter [was] refused after study account (1) use term American Consul General in absence recognition; (2) use term violence describing incident July 6; (3) position Consul General that under uniformly accepted principles international law Consul General as representative sovereign power could not accept arbitration by foreign government.

22 Same as telegram No. 2678, July 9, to the Department, p. 1220.
Acting my instructions Thomas called FAB 12th asking see female representative who requested letter. Instead was seen by Feng Chih-ho. Feng informed that Consul General at loss how meet objection (1) since letter requested [by] FAB for factual résumé and statement Consul General since Consul General involved only [on] account official capacity and absence Navy and no other name appropriate. Re objection (2), Feng told that Consul General could not find better term describe forcible detention entire staff led by me when angry crowd chained bicycle across gate and held closed with force. Re objection (3), reiterated that Consul General as representative sovereign government could act only under instructions from Department. Furthermore although recognizing Communist wish not recognize Consul General, Consul General bound regard itself as such.

Feng made little comment these points except to insist that letter be rewritten in more acceptable terms. Gave no specific reaction Navy mediation team proposal but stated revised letter would be referred higher authorities for decision.

Interesting sidelight developed when Feng’s amanuensis taking full transcription conversation belligerently asserted that had Consul General admitted employee representatives 6th subsequent events would not have transpired and that barring gate their faces constituted insult Chinese people. He informed no insult Chinese people conveyed or intended, instead determination Consul General not submit intimidation. Feng terminated this discussion abruptly, obviously displeased with intercession subordinate.

Revised letter being delivered FAB today substituting “this office” for term “Consul General”, eliminating term “violence” and using “forcible detention” instead and stating general terms application principles international law and custom to point of arbitration. Also recommending (1) that FAB instruct employees accept settlement presently authorized since this most expeditious and only course open Consul General now authorized; (2) alternately make immediate arrangements airport facilities and safe conduct Navy mediation team which fully authorized negotiate directly employees. Additionally confirming to FAB that actual payment will depend upon availability local currency from Central Bank or appointed banks in exchange for check or draft and requesting assistance this respect at appropriate time. (ConGentel to Department 2659, repeated Nanking 1779, 8th.)

Meantime Supple has unconfirmed report that mass visitation again being planned for 18th or 19th. See no choice but stand by awaiting FAB reaction letter. Will keep Department and Embassy informed.

Sent Department 2771, repeated Nanking 1557.

Cabot

*Not printed.
2773. ReConGentel 2740, July 13, 3 p.m. Evening Post and Mercury dispute, Charles Miner locked in office and threatened bodily harm by workers all afternoon and part of evening. Not allowed visit bathroom adjoining his office. Finally allowed go home on promise he would appear at Labor Affairs Bureau this morning. At Labor Bureau he was met by two Communist Army officers who upbraided him severely for not having reached settlement and called both Gould and himself "scoundrels". Officers would not listen to Miner's attempted defense and would not permit him to bring R. T. Bryan, local attorney appointed by Starr as liquidation agent. Officers stated no lawyer could intervene in any dispute and Starr could not designate any agent other than personnel now representing his interests Shanghai. Officers disregarded Miner's statement he was not authorized by Starr settle Evening Post dispute with workers.

Officers stated wages workers would be fixed on basis 4.8 shen rice about 20% more than had been offered. Payment wages in arrears must be made July 15. Would rice continue indefinitely at this rate regardless fact plant not operating. Officers stated enterprise cannot liquidate without permission. Application for permission liquidate would have to be made formally in writing and go through prescribed procedure with no indication as to what action might eventually be taken.

Miner urged he be allowed sell part equipment plant in order raise funds pay wages. Officers refused, indicating fixed assets plant could not be impaired.

Miner endeavoring obtain remittance from Hong Kong cover payment required for tomorrow. If this fails he may be in for bad time. Undoubtedly this is instance of extortion practiced by Communist authorities. Gould in hospital taking rest cure. Has asked ConGen for advice. Both he and Miner feel they are at end of their rope, particularly since Starr has telegraphed no more funds will be remitted from US. Starr insists enterprise be liquidated at once and his representatives withdrawn. Starr and some other executives now US apparently do not realize it is impossible American representatives here extricate themselves from bad labor situation simply by closing down, writing off loss and washing hands entire matter. Department may wish remind principals American firms with interests here that their Shanghai representatives are virtual hostages held personally responsible by Communist authorities for continued operation their
enterprises or at least their payrolls unless liquidation arrangements have full approval Communist authorities. Such approval most cases undoubtedly difficult obtain at best. Meanwhile American representa-
tives at mercy authorities and their own employees.

I must emphasize this is but first of many similar episodes which almost bound to happen. Department will appreciate need for early decision re repatriation of Americans and re control of remittances, particularly former.

Sent Department; repeated Nanking 1558.

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811.42700(R)/7-1449: Telegram

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

SHANGHAI, July 14, 1949—10 p.m.
[Received July 15—3:10 a.m.]

2774. Pass VOA, New York. Events past weeks indicate that paramount problem ConGen Shanghai is pressing need of working out formula for protecting Americans now in city. Olive case, siege ConGen by ex-Navy employees, increasing vigor anti-American sentiment in press, and mounting differences on part American firms in meeting demands of employees with attendant threats of violence in varying degrees by latter show that we cannot count on ordinary processes law and justice as commonly understood by western world. Assuming that higher Communist authorities realize undesirability of serious incidents of above type (an assumption which we do make and must make if Americans are voluntarily to stay here at all), it can be taken for granted they will be sensitive to charges that they are unable control subordinates. Reduced prestige which they would suffer under such publicized charges might, it is believed, prove more effective than any representations ConGen could make at Alien Affairs Department. From past experience USA officials who have had contact with Communists during war, many top Communists look upon themselves as scholars, gentlemen and soldiers—not bandits—and are anxious for world to consider them as such. Their fear of loss “face” in eyes of world through breakdown in vaunted party discipline might accomplish what threats of positive action at this juncture would fail to do.

Accordingly, suggest as desirable tactics for immediate employment and continuation as developments may warrant that through VOA, USA press editorial comment as well as in ordinary representations to Communist authorities, following line be stressed:

(1) Communist authorities have lost “face” through their demonstrated inability persuade subordinates to carry out Mao Tze-tung’s word that foreigners would be protected;
(3) A main requisite of de facto as well as de jure government is ability exercise complete control over people in territory it occupies. Such control obviously lacking since Communist authorities evidently unable control laborers or police personnel as demonstrated by events mentioned above. If Communist authorities do in fact control subordinates, must we then infer they willingly condone brutal actions which can only be compared to those committed against foreigners by Japanese in war period?

(5) Public opinion polls in USA indicate that majority American people opposed to recognizing or trading with Communist regime under present conditions. It should be brought home that this feeling can only be intensified by misconduct towards Americans in China. Mention might also be made that Chinese Nationals are delighted at turn of events.

It is not suggested, of course, that Communist policy towards trade with West, foreign business or property interests in China would necessarily be affected by above recommendations; at best we could hope for more humane and understanding treatment of persons.

Sent Department; repeated Nanking 1559, Canton. Department pass Peiping 206.

CABOT

125.8576/7-1549: Telegram

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

SHANGHAI, July 15, 1949—11 a. m.
[Received July 15—12:36 a. m.]

2775. Henderson 35 called to Foreign Affairs Bureau this morning and formally orally directed [to] stop all activities USIS as of today. Order given aggressively. Order covers Consulate General’s movies, concerts, library as well as news and publicity operations. We frankly feel there is definite threat of drastic action if USIS continues activities. Appreciate Department’s most urgent instructions.

Sent Department; repeated Nanking 1560, Canton 884, Taipei 207.

CABOT

125.8576/7-1549: Telegram

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

SHANGHAI, July 15, 1949—3 p. m.
[Received July 15—9:09 a. m.]

2784. Further re Contel 2775, July 15, 11 a. m. Henderson requested by Chinese language phone call 14th to appear Foreign Affairs Bureau between 9 [and] noon today. Called, declined state purpose request. At

35 John W. Henderson, Acting Director of the United States Information Service at Shanghai.
outset of interview Feng who identified self merely as representative Military Control Commission informed Henderson he was there in capacity private individual. Asked Henderson describe detail operations USIS China. Henderson proceeded with description, Feng asked many detailed questions. After more than half hour this, Feng advised Henderson he had been called to receive “notice”. Then proceeded to read in Chinese from paper held in his hand from beginning: (translation): “Since you are one of your Government’s institutions and in that China and America have no formal diplomatic relations all your publicity operations, including news distribution, libraries, concerts, movies and all other operations, effective as from today, should cease operations. This is not to be violated.” Henderson made no comment and left.

Understand British Information Service received similar notice.

Sent Department 2784, repeated Nanking 1566, Canton 88, Taipei 209.

CABOT

123 Olive, William M.: Telegram

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

SHANGHAI, July 15, 1949—6 p. m. 
[Received July 15—7:29 a.m.]

2789. At meeting of Consular body this morning regarding Olive case, British Consul General stated that he had not had sufficient time consult Ambassador and was therefore not prepared to discuss matter officially. It was finally agreed that I should state case to Consular body and that each would thereafter be able consult his Ambassador [and] Foreign Office if he felt it necessary. Further discussion brought out a certain note of hesitancy among several consular officers despite optimism expressed to me by Brazilian Consul who has been particularly active. (I have naturally been careful to avoid any initiative with colleagues as instructed by Dept.) Final decision was that consular body should await result of our protest regarding Olive case and would then decide what next step to take if any. In meantime, Consuls would have opportunity consult respective authorities.

Repeated Nanking 1571.

CABOT

125.8571/7—1249: Telegram

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

WASHINGTON, July 15, 1949—6 p. m.

1419. Urteil 2727 July 12. Efforts should be made to re-emphasize proposition US recognizes principle of international law which ex-
empts the public consular property of a foreign state from taxation by the receiving state insofar as used for public purposes. Dept interested whether ultimatums received by consular colleagues under similar circumstances. No event should agreement be made pay taxes without prior approval Dept. Principle involved Glenline building might set precedent large annual tax obligation in China. Keep Dept and Emb informed.

Acheson

125.8576/7-1549 : Telegram

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

WASHINGTON, July 15, 1949—7 p. m.

1420. Dept gravely concerned implications closure orders (urtel 2775, July 15, Hankow’s 210, July 15 11), singling out one function consular estab for intimidation tactics. Compliance will seriously weaken USIE position vis-à-vis Soviet satellites worldwide. Dept, however, recognizes primary importance affording physical protection staff and avoiding possible incident. Dept therefore authorizes Consul General determine whether USIE activities shld in view local conditions and consideration staff safety be immed suspended and act accordingly, granting local staff leave with pay until situation clarifies.

Any case Dept recommends protest to Communist auths grounds (1) USIE activities integral part consular estab, (2) this principle recognized worldwide including USSR, (3) (if facts warrant) discrimination against US info activities. Consultation and coordination with British at Shanghai discretionary.

Dept will entertain favorably mission’s recommendations transfer USIE locals and Amers other posts. Asks ConGen’s recommendations re Dept statement and VOA publicity on matter.

Acheson

123 Cabot, John M.: Telegram

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

SHANGHAI, July 16, 1949.

[Received July 16—2:45 a. m.]


Sent Department; repeated Nanking.

McConaughy

26 Repeated to the Consuls General at Hankow and Peiping as Nos 42 and 450, respectively.
117 For latter, see p. 1132.
38 United States Information and Educational Exchange Program.
CONSULATES IN OCCUPIED AREAS

125.8576/7-1749: Telegram

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

SHANGHAI, July 17, 1949—9 a.m.
[Received July 17—12: 18 a.m.]

2805. ReDeptel 1420, July 15, repeated Nanking 836, Canton 488, Hankow 42. ConGen aware regrettable consequences compliance USIS closure order. Convinced, however, this defiance would be quixotic. Communists have power to enforce closure order and undoubtedly resolved use force if necessary. Majority Chinese staff would not dare violate order. American staff USIS would be endangered as would other functions ConGen. Am therefore reluctantly complying as from July 16 under protest. Emphatic protest CCMO [memo] form will be delivered Communist authorities July 18. Text will be forwarded and might be used on VOA when rejected by Communist authorities. Activities will be termed "suspended" rather than "discontinued". Local staff retained on payroll for present, but believe early decision re disposition local staff should be made by Department in consultation with Connors.\(^{19}\) Local staff could be dismissed with serious embarrassment Communist authorities by fixing entire responsibility on them. Such course has much to recommend it but would be exceedingly rough on some loyal Chinese employees who have courageously stayed with program and who can hardly expect to find other employment here. If transferred to Nationalist China, unlikely they can obtain exit permits or transportation near future. While American staff cannot move now either, issuance travel orders might be considered.

ConGen believes this highhanded action Chinese Communists vulnerable to effective broadside which might take form of stinging statement by highest available Department officer. Possible lines statement might take set forth separately.\(^{20}\)

Sent Department; repeated Nanking 1581, Canton 893, Hankow 54.

McCONAUGHY

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128 Olive, William M.: Telegram

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

NANKING, June [July] 18, 1949—6 p.m.
[Received July 18—9: 47 a.m.]

1548. Embassy has delayed making further protest to local Communist authorities over treatment Vice Consul Olive (Deptel 1382, July 11 to Shanghai) to avoid conflict with current negotiations Mr. and Mrs. Olive's exit from China. Olive is in Nanking, his exit from

\(^{19}\) W. Bradley Connors, Consul at Canton.

\(^{20}\) See telegram No. 2807, July 15, 8 p.m., p. 1236.
China hangs in balance along with other members of Ambassador’s party awaiting exit permits and Embassy is loath to take any action at this time which might exacerbate already strained situation locally and thus prejudice Olive’s chance departing China with Ambassador. If Department concurs we prefer make protest envisaged in Department telegram under reference after Olive has left for US or after negotiations his exit have ended in failure.21

Sent Department 1548, repeated Shanghai 865, Dept pass Peiping 28.

[STUART]

125.8576/7-1849: Telegram

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

SHANGHAI, July 18, 1949—8 p.m.
[Received July 18—2:55 a.m.]

2807. ReConGenTel sent Department 2805, repeated Nanking 1581, Canton 893. Following are few points which might be raised in Department statement re Communist closure USIS Shanghai. Believe these points should be amplified and others added which may occur to Department.

Pending results of protest, ConGen suspending USIS operations in Shanghai response Communist closure order. This suspension results purely from coercion and Communist-demonstrated willingness to use force in defiance of international usage and civilized custom; it does not result from any recognition by ConGen of Communist right to stop its activities or any portion of them by intimidation tactics and without any sanction of law. The unfriendly action taken by Communist authorities at Shanghai on July 15 in ordering suspension of all USIS activities there serves to confirm Communist tenet that people are not entitled to know truth. In silencing this, one of few remaining sources of impartial factual news in Communist China, new regime has shown that it cannot afford to permit publication of unbiased news.

This drastic action is more restrictive against USIS than any taken in other parts of world, including Soviet Union and satellite countries of Eastern Europe. Regime would not have taken a step which is certain to prove so embarrassing to it unless it had been convinced of the effectiveness of USIS in forging a bond of understanding between the Chinese and American people, a bond which the Chinese Communists for reasons best known to themselves seem bent upon destroying.

Chinese Communists appear to have decided that the seeds of hatred, vilification, distrust and misunderstanding which they seem

21 In telegram No. 846, July 19, 5 p.m., the Department informed the Ambassador that it concurred in this procedure.
determined to sow among Chinese people will not grow in atmosphere of friendly relations which USIS seeks to cultivate.

It is apparent that promotion of friendliness and understanding tends to defeat totalitarian objectives; the fomenting of hatred better serves Communist purposes.

It is clear that this decision was taken arbitrarily and without consideration of interests of Chinese people. The decision was taken before giving USIS an opportunity to explain work and objects of organization. With characteristic cynicism a Communist official required USIS representative to make detailed explanation of purposes and operations of organization, while all the time official was holding in his hand previously prepared closure order, ready to read it the moment explanation was finished. This condemnation without affording opportunity of defence is characteristic of whole attitude and nature of Communism everywhere. There was no regard for rights and interests of the many thousands of Chinese citizens who have voluntarily availed themselves of USIS informational programs and cultural aids such as libraries and moving pictures. The poisonous fear of everything free has corroded Communist mentality and has constrained regime to ban even purely cultural activities of USIS such as concerts and art exhibits.

Communists by this action have denied the right of Chinese people to freedom of information and freedom to pursue culture, two of generally recognized basic rights of peoples. Pretext for this deplorable action was of flimsiest sort, namely absence of diplomatic relations between US and Chinese Communist regime. Informational and cultural activities have never depended on formal diplomatic relations for their existence and this excuse is irrelevant. Furthermore, the entire free world knows that it is not real reason for closure.

The AmConGen in Shanghai has been instructed to protest emphatically against this unwarranted closure order.

Appreciate text any statement issued Department. Suggest Department might desire instruct ConGen deliver text appropriate local authorities.

Sent Department, repeated Nanking 1583, OffEmb Canton 894, Hankow 55.

McConaughy

811.42700(R)/7-1849 : Telegram
The Consul at Shanghai (McConaughy) to the Secretary of State

SHANGHAI, July 18, 1949.
[Received July 18—9: 51 a.m.]

2816. Local press carries announcement by SMCC July 16 establishing provisional measures for censorship of international telegraphic and radio messages. Substance of regulations as follows:
(1). Telegraphic messages and Voice broadcasts may not give information on weather conditions, places bombed or damage committed in air raids, location and condition of airfields and air defense units, place of garrison, strength, unit, name, numbers and movements of PLA; particulars concerning radio stations and military installations; locations sites govt MCC and PLA political military and public organizations.

(2). Telegraphic messages may be sent out only after being censored and passed by SMCC radiogram censorship section.

(3). Manuscripts of Voice broadcasts must be submitted in advance for censorship.

(4). Objectional words or phrases will be deleted but no addition to or alteration in message may be made.

(5). Persons repeatedly violating article (1) will be punished.

Sent Department 2816, Nanking by mail, operational.

McConaughy

893.111/7-1849: Telegram

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

SHANGHAI, July 18, 1949.

[Received July 18—9:51 a.m.]

2817. Shanghai Public Security Bureau July 17 announced following regulations foreigners travelling in China.

(1) Require photos, passports, official application form and fee.

(2) Valid for one round trip within 2 weeks.

(3) No more than two destinations at one time and by specified route approved by authorities.

(4) Illness et cetera requiring change of plans must have approval local authorities.

(5) Arrival, departure 2-week visitors must be reported police by head of household and permission received.

(6) Travellers staying from 2 weeks [to] 3 months must report themselves and get temporary residence and travel permit.

(7) Foreign travellers not reaching destination within validity permits must report [garble] “appropriate decisions in accordance with the actual conditions will be made by this bureau”.

(8) Those travelling to other areas and unable return Shanghai within validity permits must apply local authorities for extension and turn in original permit upon return Shanghai.

(9) All luggage foreigners subject inspection without exception.

McConaughy
CONSULATES IN OCCUPIED AREAS

125.8976/7-1849: Telegram

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

CANTON, July 18, 1949—9 p.m.  
[Received July 19—7: 11 a.m.]  

Cantel 772. Concur no effort should be made defy Communist order close USIS at this time (Shanghai 2805, July 17 to Dept, repeated Nanking 1538, Hankow 54). Recommend, however, that, while USIS closed to public and no distribution or other public activities carried on pending clarification situation and result protests Communist authorities Nanking, Peiping, all staff be retained on basis Communist order only suspension USIS services. Believe Shanghai staff can be utilized following basis: Library staff process all backlog books, periodicals, et cetera; editorial translation staffs utilized special translations pamphlets, Newsletter material, other special articles, looking to day when can resume normal function; visual media staff continue produce posters et cetera for future use. For balance of staff make work as necessary such housekeeping duties, inventory, et cetera, or adopt [adop] shorter work week. Hankow follow same example.

Believe essential retain loyalty [and] goodwill our staff who have stuck with us during takeover and present emergency justifies above plan. Discharge local staff might embarrass US more than local Communist authorities since latter might force them make exorbitant demands severance pay et cetera, especially since new employment difficult find and transfers Free China impossible this time due lack transportation.

On whole believe we must for present consider order as only suspension and not final decision force USIE completely out of Communist China. For these reasons urge Dept instruct Shanghai [and] Hankow retain full staff above basis pending further developments. Suggest Department also may wish issue precautionary instructions Tientsin, Peiping.

Sent Department Cantel 772, repeated Nanking 509, Shanghai 436, Hankow 21.

CLARK

125.8976/7-2249: Telegram

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

[Received July 22—3: 34 a.m.]  

2880. Following is text memo dated July 20 mailed Foreign Affairs Bureau July 21 re closure USIS:
"MEMORANDUM TO THE DIRECTOR OF THE FOREIGN AFFAIRS BUREAU

"Reference is made to the oral order issued on July 15 by the Foreign Affairs Bureau to Mr. John W. Henderson, Acting Director of the United States Information Service, at Shanghai, directing the immediate suspension of all cultural, educational and informational activities of the United States Information Service at Shanghai.

"Acting on the instructions of the United States Government and in behalf of that Government, the undersigned lodges an emphatic protest against the suspension of the United States Information Service activities at Shanghai. A grave view is taken of this action which constitutes regrettable interference with the normal functioning of this Consular establishment, of which the United States Information Service comprises an integral part; violates the principle that informational and educational activities form a legitimate part of the work of a Consular establishment, a principle which is recognized in all parts of the world; and discriminates against United States Information Service activities as compared with certain similar activities of the Soviet Union, which are still carried on unimpeded in this city.

"The unfriendly action taken by the local regime in denying the residents of Shanghai the informational, technological, recreational, educational, musical and artistic benefits which such large numbers of them received from the United States Information Service news file, library, concerts, motion pictures and art exhibit in Shanghai, can only be construed as a blow at the interests of the people of this area.

"The cessation of these cultural and technical services of the United States Information Service means a corresponding impoverishment of the cultural and technical resources available to the people of China.

"The reason given by the Military Control Commission for the closure order—namely, the absence of formal diplomatic relations between the United States and the Communist regime in China—appears not well-founded in that the work does not involve any diplomatic negotiations or liaison and does not depend on official diplomatic recognition for its existence.

"The activities of the United States Information Service at Shanghai are being reluctantly suspended under protest, in compliance with the order issued by the Military Control Commission. On the assumption that the suspension order will prove to be temporary, this office is retaining the numerous Chinese employees on the United States Information Service payroll for the time being in order to enable the authorities to have a reasonable period of time in which to reexamine all the implications of this issue.

"It is difficult for the writer to believe that the suspension order is intended as a deliberately unfriendly act against the United States. It is urged that this unfortunate decision be reconsidered in the light of the foregoing observations.

"If the local authorities desire to establish friendship and understanding between the Chinese and American peoples, it is confidently anticipated that this suspension order will be rescinded. (Signed) Walter P. McConaughy."

Sent Department 2880; repeated Nanking 1620, Canton 910, Peiping 216, Tientsin 102.

McCONAUGHY
CONSULATES IN OCCUPIED AREAS

125.8576/7-2249: Telegram

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

SHANGHAI, July 22, 1949—10 a.m.
[Received July 22—12:09 a.m.]

2882. ConGen July 21 sent strong memo protest re closure USIS to Foreign Affairs Bureau double registered mail. Full text contained ConGen plain language telegram 2880, July 22. Believe publicity should be withheld until July 25. Recommend its use VOA, AFRS and as press release if no favorable action taken by that date.

Sent Department; repeated Nanking 1622, OffEmb Canton 911. Department pass Peiping 217, Tientsin 108.

McCONAUGHY

125.8576/7-2249: Telegram

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

NANKING, July 22, 1949—2 p.m.
[Received July 22—7:26 a.m.]

1577. Embassy heartily concurs general sentiments Shanghai’s 2807, July 18 to Department (repeated Nanking 1883) but strongly recommends Department postpone release blast along these lines until obvious Communist decision close all USIS offices irrevocable and no room left negotiation or further protest. Embassy believes protest should follow closely recommendations Deptel 1420, July 15, sent Shanghai, repeated Nanking 836, and that unduly emphatic language should at this stage be avoided as of no use and serving possibly harden Communist intransigence subject USIS, particularly in view fact Nanking USIS including news file still operating.

Sent Department, repeated Shanghai 884, Hankow 51, OffEmb Canton 661.

STUART

125.8576/7-2249: Telegram

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

SHANGHAI, July 22, 1949—4 p.m.
[Received July 22—6:32 a.m.]

2894. ReConGentel 2882, July 22. Foreign Affairs Bureau has returned memo protest re USIS closure with slip reading in translation “this communication cannot be accepted and should be returned”. Recommend immediate publication text given ConGentel 2880, July 22, together with reference to its summary rejection by Communist authorities apparently few minutes after it was received.
ConGen using other channels to get text message unofficially and informally before high Communist authorities.

Sent Department, repeated Nanking 1626, OffEmb Canton 913.

MoCONAUGHY

125.8576/7-2249 : Telegram

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

NANKING, July 22, 1949.
[Received July 22—2:32 p.m.]

1583. Following is text of protest which Embassy attempted submit Aliens Affairs Office Nanking July 21:

"Instructions have been received from Government of US of America to protest to highest available authorities closure of USIS offices in Shanghai, Hankow, Peiping and Tientsin.

"The activities of USIS are an integral part of the consular and diplomatic establishment of the US, and, as such, are entitled under generally accepted principles of international law to freedom from interference in performance of their proper duties. The status of USIS as performing an integral foreign service function is generally recognized throughout the world, including the USSR and countries in Eastern Europe where the service functions on a regular basis.

"It is most strongly urged that the authorities reconsider the action they have taken in this case. Such a step would do much to create an impression abroad that the authorities hold in respect the long-established practices of comity among nations. On the other hand, a contrary decision would have a most unhappy effect on public opinion in the US."

Sent Department 1513, Canton 622, Shanghai 885, Hankow 58, Peiping 288.

Stuart

125.8576/7-2249 : Telegram

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

NANKING, July 22, 1949—4 p.m.
[Received July 22—11:19 a.m.]

1584. Embassy attempted July 21 deliver to Aliens Affairs Office written protest (text contained Embtel 1583, July 22) on closure USIS offices Shanghai, Peiping, Hankow and Tientsin. After messenger had informed higher officials subject of visit was "closure USIS offices", which Embassy officer required state in advance, junior official came down to waiting room to state his superiors not prepared discuss this question. Asked when they would be prepared discuss it, he was
noncommittal. He did, however, read text of protest, but returned it, declining take it to his superiors. We feel further attempts present protest would not be fruitful and might hasten closure Nanking USIS.

Sent Department 1584, repeated Shanghai 886, Embassy Canton 668.

STUART

125.8571/7-2249: Telegram

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

SHANGHAI, July 22, 1949—5 p. m.  
[Received July 22—8:33 a. m.]

2895. ReDeptel 1419, July 15, tax assessment Glenline Building. Tax notices covering additional space Glenline Building recently received increase total tax bill months May and June only to equivalent over $10,000.\textsuperscript{22} Tax rate per annum Glenline Building therefore is fantastic figure of over $60,000. Smaller but substantial bills have also been received for some of residential properties owned by US Government. British ConGen which occupies second most valuable foreign government owned property so far has not received any tax bill. Several Consuls who occupy small rented quarters have indicated they prepared pay relatively modest sums involved without question. Sentiment informally expressed at meeting consular body July 15 seemed preponderantly opposed lodgment protest against either real estate taxes or auto taxes which at equivalent of $600 per vehicle per annum also exorbitant. Believe attitude consular body toward infringement consular prerogatives as revealed discussion tax matters and Olive case will be spineless.

On July 14 we addressed letter to Foreign Office setting forth claim to exemption from taxation US Government-owned consular property. Memorandum was returned by Foreign Affairs Bureau with notation we should approach Bureau of Finance directly. July 19 we sent same letter to Bureau Finance together with entire sheaf tax notices. No acknowledgment yet received.

I recommend we maintain firmly our right to exemption property tax. Showdown should be on principle involved, not on prohibitive amount assessed.

Commie behavior when cards are down on this issue should tell us something about their immediate intentions.

Sent Department; repeated Nanking 1627.

\textsuperscript{22} For correction as to this figure, see telegram No. 3039, August 4, 7 p. m., from the Consul at Shanghai, p. 1266.
The Secretary of State to the Consul at Shanghai (McConaughy)

WASHINGTON, July 26, 1949—7 p. m.

1480. Dept informed that C. V. Starr today reed tel from AAU stating Miner and Gould locked in office by employees demanding increased pay; Chi auths refusing further intervention on basis Miner uncomplied their order; so far no physical violence but indications lock-in may be lengthy.

Dept also informed Starr has sent tel to Labor Section Shanghai MCC stating that Miner no power to obtain funds for wages or any other purpose except by sale or mortgage plant and stock in Shanghai; that Post Mercury no assets outside Shanghai, is deeply in debt and can obtain no further credit for any purpose whatsoever.

Dept assumes ConGen taking appropriate measures assist Miner and Gould insofar as possible.

ACHESON

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


[Received July 27—2:27 a.m.]

2920. Reference Shanghai Evening Post labor dispute, workers have confined Gould and Miner to office since noon yesterday without food, water or sleep. State they will hold them in this situation until all demands satisfied.

Consulate General reported full facts police yesterday afternoon and urged immediate police action be taken to lift siege. Police promised send representative investigate but did nothing. Gould and Miner kept awake by tremendous din created by workers who beat on doors with various implements all through night.

Increasingly apparent authorities do not plan intervene and plight of Gould and Miner very serious. Messengers with food, water and medicines prescribed by Gould’s doctor turned away from building by workers this morning.

Alien Affairs Bureau will not give me appointment or any assurance I will be received but I am proceeding there immediately with intention making emphatic representations.

Sent Department, repeated Nanking 1640.

McConaughy

32 American Asiatic Underwriters.
CONSULATES IN OCCUPIED AREAS

893.918/7–2749: Telegram

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

WASHINGTON, July 27, 1949—5 p. m.

885. Re Shanghai’s 2920 July 27 rptd Nanking 1640. If you have not already done so, pls make strong representations Gould–Miner case earliest.

ACHESON

893.918/7–2749: Telegram

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

SHANGHAI, July 27, 1949—10 p. m.

[Received July 28—1:51 a. m.]

2932. Re Con Gentel 2920 to Department, 1640 to Nanking, July 27. I called at Foreign Affairs Bureau at 11:30 accompanied by Forman as interpreter to intercede behalf Gould and Miner. I was received ungraciously by Feng Chi-ho whose attitude has hardened notably not already done so, pls make strong representations Gould–Miner lock-in and requested immediate action by authorities lift siege. I stressed fact individuals forcibly detaining Gould and Miner were private citizens, not officials local regime, adding presumably their action was lawless by any standard. Feng said Foreign Affairs Bureau could not recognize my right to speak on behalf Gould and Miner since I had not shown I was connected with case. I told Feng if he wished he could consider me as speaking in capacity of friend of Gould and Miner. He said friendship did not afford valid basis my intervention and FAB could not discuss case with me. I remonstrated pointing out by this line of reasoning no one in Shanghai could speak on behalf Gould and Miner and since they were wrongfully held by disaffected workers, they had no way of speaking for themselves, hence refusal heed my request amounted to denial of all recourse.

Despite Feng’s unwillingness to hear me out, I proceeded to outline outrageous circumstances under which two Americans were held: Their lack food, water and sleep for 24 hours; refusal of workers permit messengers deliver anything and helplessness of victims do anything for themselves without assistance of authorities. Feng said he did not believe my account of Gould-Miner plight. I said best way for authorities confirm or refute account was to proceed personally to office where Gould and Miner were held at 17 The Bund and ascertain facts by survey on spot. Feng said authorities could not accept any suggestions from me and brusquely rose to signify interview was terminated. I did not rise immediately. After short interval, I rose

* Douglas N. Forman, Vice Consul at Shanghai.
deliberately and raising my voice slightly said local regime would find it highly embarrassing if through negligence of authorities these two Americans came to any harm at hands of workers who were forcibly detaining them. Feng said I had no right make any such statement to representatives [of] People's Government. I said "That is all," without taking any cognizance of Feng's remark. I then strode abruptly from room without endeavoring shake hands, making my displeasure unmistakable. Feng had already made it clear he did not intend to make any move to shake hands.

On appointment slip I wrote as subject for discussion "safety of Mr. Gould and Mr. Miner, American citizens," thereby running risk being refused interview, but if I had not written down subject, I would not have been permitted bring it up at all and fact I was received on that subject is something of tactical gain. At least, it is formally on record now we presented facts this flagrant case to authorities and officially requested redress. Despite bad reception I got, authorities may be alarmed into taking some action this afternoon to lift siege. If they do not, their position is far more indefensible than before I called.

Situation of Gould and Miner will become genuinely serious by tonight or early tomorrow if no relief obtained. I plan try another approach through Democratic League intermediaries late this afternoon if nothing accomplished by then.

Recommend Department be prepared give full publicity this outrage VOA and press if ConGen later recommends such course. This might further jeopardize functioning ConGen but it is risk we must undergo if we are to use only means at our disposal at moment to protect Americans here.

Sent Department, repeated Nanking 1646.

MoConaughy

893.913/7-2849 : Telegram

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

Shanghai, July 28, 1949.

[Received July 28—10: 08 a.m.]

2943. Re ConGen tel 2920, July 27, repeated Nanking 1640. Gould-Miner siege lifted late this afternoon basis following understanding with workers: Increase salaries June and July. Termination of paper recognized as of July 31, termination payments to be negotiated through Labor Bureau. Gould-Miner at liberty.

Food and water were provided for Gould and Miner following our protests of yesterday and police finally appeared at noon today.

Sent Department 2943, repeated Nanking 1643.

MoConaughy
WASHINGTOE, July 28, 1949—7 p.m.


Pls make every effort bring situation atten[tion] highest Commie auths, pointing out Shanghai auths refused protection, despite repeated requests therefor, against physical coercion and maltreatment of two men by virtual mob action; that this incident, rpting previous ones, raises serious question ability local auths effectively provide adequate protection for nats.

ACHESON

102.22/7-2949: Telegram

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

SHANGHAI, July 29, 1949.
[Received July 29—2:58 a.m.]

2959. About 20 ex-Navy employees occupied lobby ConGen building 7:20 this morning, mingling with staff members reporting for duty. They pushed guards aside, seized gate keys and refused allow gate to be shut. Very abusive language used to American guard. Unfortunately iron gate guarding stairway to upper floors was necessarily open because elevators still out of order following typhoon. A few workers are sitting on first floor stairway to prevent stairway gate from being closed. So far none have gone higher than first floor. They insist their intentions are peaceable. So far they have not interfered with entry to or egress from building but some have brought food and lock-in later in day is possible. Workers have telephoned their associates asking reinforcements be sent.

Delegation of 8 insists on negotiating with Thomas, Administrative Attaché. I have flatly refused consider any discussion while they occupy any portion ConGen building.

This latest crisis directly attributable Foreign Affairs Bureau which officially requested us defer settlement we have been prepared last 2 weeks to make, settlement which is acceptable to more than half the claimants. Workers claim Foreign Affairs Bureau authorized their entry ConGen building. This so far not verified. At 7:45 requested police intervene. Result negative. When called second time at 9 a.m. they declined to intervene, saying workers did not intend violence, that it was merely labor dispute and we should negotiate with workers and
with General Labor Union, Thomas will proceed Foreign Affairs Bureau at 9:30 a.m. Workers invited send their delegation there also but they refused. Thomas will lay responsibility squarely at doorstep Foreign Affairs Bureau and insist it restrain workers.

We are ill prepared for siege at this time owing failure power, light, and water supply still unrestored following typhoon. Am gradually and unobtrusively sending staff members home, planning to have only skeleton staff here by nightfall. All necessary precautions taken.

Sent Department 2959, repeated Nanking 1654, Peiping 227.

McCONAUGHY

102.22/7-2949 : Telegram

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

Nanking, July 29, 1949—11 a.m.
[Received July 29—12:05 p.m.]

1651. [To Peiping:] ConGen Shanghai invaded this a.m. by ex-Navy employees who refuse to leave till settlement their demands (see Shanghai’s telegram 227, July 29 to Peiping 26), force being used to prevent entrance and exit to ConGen building. Approximately 11 officers compelled spend night in office. Local authorities have consistently ignored pleas for intervention, protection. Matter was placed in their hands at their request 2 weeks ago. They assured that employees would make no further disturbances while they were studying case; in any event ConGen has no authority to negotiate on behalf US Navy. Navy has offered to send in representatives to negotiate but Communist officials Shanghai have ignored this suggestion.

Some members mob invading ConGen today have become hysterical acting in irresponsible manner. Because recent typhoon damage, ConGen without lights, water. Officers cut off from commissary by occupation ConGen building.

I suggest you communicate with Joseph Chang 26 or his father earliest and beg him report this outrageous development to Chou 27 or Mao. Point out that local authorities have been completely unresponsive; that regardless of lack of official relations persons besieged are officials of US Government and that situation of this nature if allowed develop may lead in tragedy. In any event it cannot fail to have very serious effects on future relations between China and USA and reflect grave discredit on Chinese Communist regime in eyes of civilized world.

Sent Peiping 306, repeated Department 1651, Shanghai 918.

Stuart

26 Same as telegram No. 2959, supra.
27 Son of Professor Chang Tung-sun, Yenching University, of the Democratic League.
27 Chou En-lai, of the Central Committee of the Chinese Communist Party.
The Consul at Shanghai (McConaughy) to the Secretary of State

SHANGHAI, July 29, 1949.
[Received July 29—5:39 a.m.]

2963. At 3 p.m. besieging ex-employees growing more restive, number greatly increased by arrival women, children. Lobby and first flight stairs full.

Foreign Affairs Bureau evasive, non-committal despite repeated appeals last 7 hours. So far have done nothing. Police also decline intervene.

At 3:30 demonstrators are locking gates, preventing all entry and egress.

Workers insist they will occupy ConGen until demands satisfied. I have flatly refused to discuss anything with them unless and until they vacate building and send small delegation to talk in orderly fashion. Complete impasse this issue.

Sent Department, repeated Nanking 1655, Canton 928, Peiping 228.

McConaughy

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

SHANGHAI, July 29, 1949—4 p.m.
[Received July 29—5:22 a.m.]

2965. Ex-Navy employees besieging building now demanding 3 months’ pay plus 3 months’ separation notice plus 2 weeks’ pay in lieu notice. Unless demands agreed today will bring 600 laborers tomorrow and all families next day, prepared stay “until carried out in coffins”. Large banners raised on Glenline Building reading “American imperialists fail keep their own regulations try starve people”. Commander Slayton 28 and assistant forcibly turned back when tried leave building 3:40 p.m.

Estimate 100 Chinese and Sikhs now inside, many more outside. Thirteen male Americans and approximately 35 local employees trapped. I shall continue refuse negotiate under duress.

Sent Department, repeated Nanking 1657, OffEmb Canton 929, Peiping 229.

McConaughy

Shanghai, July 29, 1949.

[Received July 29—12:56 p.m.]

2966. At 9 p.m. siege Consulate General building continues, 13 male American staff members dug in for night, Chinese employees permitted leave building. Acting on constructive suggestion from Cabot [in] Nanking, I met with 6 representatives of workers in first floor office at 5 p.m. ably assisted by Thomas, Supple and alien clerk Meyers interpreter. I made it clear I was there to explain Consul General position, not to discuss merits of case while I was under coercion. I expressed sympathy for plight of those without employment who were reported unable to support their families. I then said with all conviction I had no authority to negotiate, that I could act only as channel transmission and could not do that when under confinement, that Foreign Affairs Bureau was entirely responsible for delay in offering settlement proposed by Navy and that FAB also responsible for failure local regime to authorize entry Navy team with full powers to negotiate as proposed by Navy. I urged them abandon unlawful lock-in as worse than useless and to press FAB for entry permit for Navy team.

Workers rejected all these points as mere stalling. Said they knew Consul General had money and they were out to get it from us to meet their just demands. Said Consul General as representative US Government here must be held responsible for all US Government obligations especially those of Navy since Consul General had inherited some Navy assets. They inquired if US Navy “People’s Navy or Imperialist Navy”. Definite ideological cast to this statement and others indicate they have been well briefed in party line.

Group had no leadership and was incapable of responsible action. At one point said they would not molest us if we tried leave building. Few minutes later reversed this stand entirely. Said they and their families did not have enough to eat and they would stay in building until they died of starvation when Consul General would be responsible for their deaths.

One of group worked himself into state of hysteria, incited others with his screaming, brandished letter opener threatening suicide, lay down on floor. Many additional workers then crowded into room in threatening mood, blocked door with chairs, creating tight situation for several minutes. Workers refused allow me to leave room to return to upper floor. I strongly remonstrated with them. After several tense minutes they let me return my office on 4th floor. Thomas remained for another hour chatting in desultory fashion with them which greatly
eased tension. Workers now drafting petition to Navy which I have promised transmit if they vacate building forthwith.

Repeated Nanking 165, Canton 930, Peiping 230.

[McConaughy]

102.22/7-3049: Telegram

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

SHANGHAI, July 30, 1949.

[Received July 29—10:49 p.m.]

2967. Occupation Consulate General building continued without incident through night. Pickets reduced to about 40 this morning all on ground floor. Blockade considerably relaxed. Several American staff members have entered and left building without interference but demonstrators have announced that McConaughy, Thomas and Commander Slayton will not be permitted leave building.

Communist soldier with fixed bayonet intermittently stationed Peking Road opposite Consulate General entrance. Chase handling operations outside building is leaving no stone unturned. He has worked practically without rest and has succeeded in getting matter before some influential people.

Sent Department 2967, repeated Nanking 1659, Embassy Canton 931, Peiping 231.

McConaughy

102.22/7-3049: Telegram

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

NANKING, July 30, 1949—2 p.m.

[Received July 30—5:53 a.m.]

1658. [To Shanghai:] Reur telephone conversation with Jones, 29 we suggest that you make following proposal:

(1) You will send telegram to Navy;

(2) You and leaders ex-Navy employees both agree to recommend to Communist authorities that Navy team be permitted enter;

(3) Ex-Navy employees agree you appeal to police for protection for 24 leaders in event of any disposition of rank and file of ex-employees to cause trouble. Regarding proposal of 24 leaders that they stay in building, we believe that you should not accede and that ultimate concession you should make would be to say that if they remain in building it would be without your consent.

Sent Shanghai 919, repeated Department.

Stuart

29 J. Wesley Jones, Counselor of Embassy in China.
The Ambassador in China (Stuart) to the Secretary of State

NANKING, July 30, 1949.
[Received July 30—10:02 a.m.]

1660. Embassy July 30 presented following protest on Gould and Miner case to Aliens Affairs Office, Nanking:

"Information has been received from Shanghai that Mr. Randall Gould and Mr. Charles F. Miner, American citizens who are editor and representative of the owner, respectively, of Shanghai Evening Post and Mercury, were confined to their office from noon on July 26 until July 28 by their employees, in attempt by latter to force management of paper to yield to their demands. During nearly 24 hours, Messrs. Gould and Miner were not only not permitted to have food and water brought to them, but all through night of July 26 they were kept awake by workers who beat on doors with various implements. Messenger bringing medicine prescribed by Gould’s doctors also refused entrance.

"American Consul General, Shanghai, reported full facts this incident to police on afternoon of July 26 and later to AAO; Shanghai police promised to send representative to investigate, but no effective action was taken until July 28, when police intervened and Messrs. Gould and Miner were finally released after coming to agreement with workers. Although eventual intervention of police enabling settlement is gratifying, the Government of United States of America has issued instructions that a strong protest be lodged at failure of authorities to take action promptly, once they had been informed of facts. Irrespective of intrinsic merits of dispute, it is difficult to believe that arbitrary use by employees against employers of weapons of hunger, thirst and mental anguish is approved by local authorities. Nor does such action seem in harmony with declarations of highest Communist leaders, that foreign lives and property would be protected. Consequently, failure of Shanghai authorities to intervene promptly and bring about settlement of this dispute by orderly and peaceful processes is most difficult to understand. Certainly, American people will be shocked to learn that in China’s largest city two of their fellow citizens were isolated by mob action which continued for more than 48 hours before authorities responsible for maintenance of peace and order consented to intervene.

"It is hoped that the responsible authorities will demonstrate in future that they do not approve of irresponsible mob action for settlement of wage disputes and incidents similar to one involving Messrs. Gould and Miner will not recur."

STUART

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

NANKING, July 30, 1949—5 p.m.
[Received July 31—2:21 a.m.]

1661. Protest Gould-Miner case (Embtd 1660, July 30) received by third-ranking official Aliens Affairs Office and taken to inner office
where presumably read by his superiors. It then returned to Embassy officer with statement could not be accepted because Shanghai outside jurisdiction Nanking AAO.

Sent Department; repeated Shanghai 920.

Stuart

102.22/7-3049: Telegram

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

NANKING, July 30, 1949—11 p.m.
[Received July 30—12:53 p.m.]

1665. McConaughy informs us by telephone that situation Consulate General Shanghai has taken adverse turn. New and vigorous direction has been introduced into mob action of ex-Navy employees. New leader, a politico apparently, has rejected all points counter-proposal suggested Embtel 1658 of July 30 to Department, sent Shanghai 919. He waives aside interest US Navy, Government and insists Consulate General must settle issue locally and promptly. Thomas is being held tonight in room first floor Consulate General virtually as hostage and efforts McConaughy to effect his release unavailing at 9:15. McConaughy who is in his office fourth floor fears the “psychological treatment” will be used on Thomas during the night to force him to agree to settlement. We have advised McConaughy to preserve his limited freedom of action and not respond to employees’ request that he join Thomas first floor trap. McConaughy feels PLA authorities Shanghai are conniving with, if not actually encouraging, mob action and present leadership; that Aliens Affairs Bureau is deferring to military in this issue.

I feel that some drastic action is required to bring an end to this unexampled treatment of an official establishment of the US Government by the de facto authority. In considering ways and means of protecting Foreign Service personnel against further pressure and threats of violence, I suggest, as one possible effective course, the prompt convening of the Security Council to consider the threat to the peace of this callous indifference on the part of the Communist authorities to safety, welfare and dignity of official representation of a sovereign state. It might be pointed out that Chairman Mao in issuing 8th point of his proclamation regarding protection of foreigners in Communist China was either insincere or is presently unable to control his underlings in Shanghai. If reference to Security Council fails to have desired effect or if USSR blocks actions, such reference would at least appear to have advantage of clearing decks for more direct, unilateral action which might subsequently be contemplated.

Sent Department; repeated Shanghai 923.
The Secretary of State to the Consul General at Peiping (Clubb)

WASHINGTON, July 30, 1949—5 p. m.

508. Following is first para Nanking’s 1665 July 30 to Dept. [Here follows text of first paragraph of No. 1665, printed supra.]

By whatever means available you should at once make clear to highest possible Communist authorities seriousness with which your Government views this callous indifference on the part of the local Communist authorities in Shanghai to safety, welfare and dignity of official U.S. representatives as indicated in above quotation and in Shanghai tels 2959, 2963, 2965 and 2966 all of July 29 and all repeated Peiping.

ACHESON

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

WASHINGTON, July 30, 1949—5 p. m.

904. Dept believes if you have not already done so you personally should approach Huang Hua and in the strongest possible terms protest the callous indifference on the part of the local Communist authorities in Shanghai to safety, welfare and dignity of American official representatives as outlined in first para your 1665, July 30. Clubb being instructed make similar representations.

ACHESON

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

SHANGHAI, July 30, 1949—midnight.

[Received July 30—7 p. m.]

2972. Besieging ex-employees gradually have increased pressure during day insistently demanding yes or no to ultimatum for six and one-half months' pay.

After consultation with Embassy, indicated to them through Thomas this afternoon that I was prepared accept their tentative offer to lift siege and relinquish control of building if I would telegraph Navy Department text of petition drafted by them.

At this stage situation completely changed by abrupt entry of newcomer, civilian unknown to Consulate General officers, who immediately assumed dominant role. He gave workers decisive leadership for first time. He is obviously political figure with some authority, uses Marxist clichés. He may be from General Labor Union or Labor
Bureau. He left after several hours. About 7 underlings accompanied him.

This man assumed intransigent attitude, summarily rejected conciliatory gesture made by Consulate General, announced workers would not wait for case to be referred to Washington, that workers would collect from Consulate General locally. Thomas was working out withdrawal formula with workers when newcomer entered scene at 6 p.m. Thomas has been held in first floor room since then under continuous questioning. Has not been allowed to leave for meal. We have just sent food to him which workers kept from him saying he could go hungry as they had done since siege started. Indications are he will be kept up all night.

We appealed to police again at 9 p.m. to relieve Thomas of severe physical and psychological coercion. They said they would send a policeman to investigate but 3 hours later have not done so. Demeanor of police indicated they probably had orders not to intervene.

Chase succeeded in getting memorandum and letter re case before Chang Han-fu through Han Ming, Democratic Leaguer. Chase discussed case at length with Han Ming who indicated PLA, probably its political section, was backing the demonstration and directing handling of affair by Foreign Affairs Bureau. Some corroboration other sources.

Chang refused to see Chase but Chase with great difficulty saw subordinate who said he would relay Chase's observations to higher authority.

Apart from Thomas, 9 male American staff members in building all barricaded in restricted areas 4th and 6th floors. I have been invited to present myself before demonstrators presumably in place of Thomas but do not intend to do so voluntarily. Such action in my view would play directly into their hands. Much as I wish to afford relief for Thomas, I believe this is a ruse to get control of principal officer depriving him of ability to fulfill his responsibilities.

I consider developments reported herein increase seriousness of case in all its implications.

Sent Department 2972, repeated Nanking 1660, OffEmb Canton 932. Department pass Peiping 232, CNO ComNavWesPac.

McCONAUGHY

125.5576/7-3149 : Telegram

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

NANKING, July 31, 1949—2 p.m.

[Received July 31—4:35 a.m.]

1667. Feeling that my best approach was to the highest Communist authority, I despatched a telegram through Philip Fugh to Mao Tse-

30 For correction, see telegram No. 3025, August 4, 4 p.m., p. 1266.
tung Friday evening calling his attention to lack of protection being afforded our ConGen Shanghai and requesting his personal attention (Deptel 904, July 30). I have not approached Huang Hua on siege of Shanghai ConGen knowing his usual attitude toward anything outside his immediate jurisdiction. I am, however, endeavoring to communicate with him as early as possible in an attempt to comply with Department's instruction in reftel.

I must again emphasize to Department that Embassy, ConGen Shanghai, and Clubb, Peiping, have already taken all steps which seem to have any real possibility of success, that Communist authorities Shanghai are clearly conniving at situation there and that Central authorities have not acted although they have been informed and have had ample time to intervene. There is therefore no reason to suppose that any further action which we might take in China will be effective.

Stuart

102.22/7-3149 : Telegram

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

Shanghai, July 31, 1949—5 p. m.

[Received July 31—7: 57 a. m.]

2978. Thomas has now been held by mob in large room 118 Consulate General Building continuously for 24 hours. He was kept awake all night and all morning by teams working in relays which subjected him to continuous barrage senseless questions, prodding him when he was too sleepy to answer.

At 1:15 a. m. workers, after much argument among themselves, allowed him to eat sandwiches we had sent down at 9 p. m.

He was allowed to eat breakfast and lunch sent down by us today. Workers holding unwashed plates as evidence their generosity allowing him to eat. Dr. Schramm persuaded workers to let cot be brought into room for Thomas' use this morning, convincing them that he has been under treatment for some time and that his health would be gravely endangered by further denial sleep. Thomas allowed to sleep from 12 noon to 12:50 and from 2 p. m. to 3:30 p. m., total of 2 hours 20 minutes. Interminable questioning now resumed. Permitted go to washroom several times under continuous guard. No opportunity shave, bathe or change linen.

Chase and Forman made still another appeal without avail to Fochow Road police station this morning. After difficulties and delay they saw an official of medium rank at 10 a. m. who said police could not intervene in labor disputes. When Chase demurred, pointing out serious threat to Thomas' well-being caused by ordeal, police promised to "send a man to see". This promise, of course, they never intended to keep and have not kept.
Lock-in applies only to Thomas, Slayton and myself. All others allowed enter and leave freely.

I have encouraged male staff members and foreign correspondents to come and go freely to room 118 in effort to keep outrage in open far as possible and to give Thomas what moral support we can.

Extremists among demonstrators including some Sikhs arguing they should come to get Slayton and me on barricaded upper floor. So far more cautious elements have restrained them but group is volatile and may suddenly arouse itself to frenzy if stalemate is protracted.

Workers still assert they will extract money from three officers they hold responsible, not specifying extraction method contemplated.

Chase knows that third communication this subject adequately setting forth gravity with which we view calculated dereliction Communist officials this matter now before highest authorities Shanghai. Neither Foreign Affairs Bureau nor any other arm Military Control Commission has to date lifted a finger to break up the siege and occupation.

Am now working with good prospects success on plan to provide full night of uninterrupted sleep in quiet room for Thomas.

Significant that workers closely following VOA and BBC broadcasts this case. Since officials have taken side of mob, there is no reason to restrict publicity, which should be carefully checked for accuracy. Workers assert they are incensed at alleged inaccuracies BBC and VOA broadcasts. I have observed no misstatements of facts in VOA text of July 30.

Fortitude, pertinacity of Thomas beyond praise.

McConaughy

102.22/7-3149: Telegram

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

SHANGHAI, July 31, 1949—10 p. m.
[Received July 31—1:55 p.m.]

2979. First hopeful development siege Glenline Building occurred late this afternoon when it was agreed that Thomas and representatives workers would both call at General Labor Union Shanghai municipality tomorrow morning for review of claims of ex-Navy employees and to consider advisory recommendations General Labor Union. I agreed to permit Thomas make this call contingent on following three conditions, all of which accepted by ex-employees:

1. Thomas to be released immediately from confinement room 118 and enabled to get long recuperative sleep in atmosphere of complete freedom before meeting takes place,

2. Thomas to proceed to meeting independently, not escorted by ex-employees,
(3) Consul General not to be bound or committed in any way by recommendations General Labor Union.

Understood that I proposed wire Washington promptly for instructions after reviewing Labor Union's recommendations.

Thomas released from room confinement 6:35 p. m., and came immediately 6th floor apartment. He is naturally very tired after ordeal of more than 25 hours but appears otherwise in good condition. He ate a hearty meal and is now sleeping soundly.

Mass of workers have left premises, leaving token force of about 12 men who are remaining unobtrusively in lobby. They might not interfere with Slayton, Thomas and me if we wished to leave building tonight but we have decided make no move to leave tonight.

Tension notably relieved at least for time being. It is possible that nothing will come of survey of situation with Labor Union tomorrow, in which case we will be back where we started, but course adopted offers some promise without any compromise essential principles on which we are standing and affords the relief for Thomas we have been seeking.

Authorities still have not intervened openly though we cannot be sure what has been going on behind scenes in response to weighty representations instigated by Chase. Some dissension clearly exists in ranks ex-employees, some of whom, asserting they are non-Communists, allege that Communist Party workers not belonging to ex-Navy employee category have infiltrated group and usurped leadership.

AstALUSNA today received payroll data for ex-Navy employees of BOQ and En Clubs and recreation center. With this data all payrolls should be completed tomorrow.

Sent Department 2979, repeated 1665, Canton 984, Peiping 234.

McConaughy

125-857/8-149 : Telegram

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

SHANGHAI, August 1, 1949—noon.
[Received August 1—2:08 a. m.]

2980. 11 a. m. Due continued occupation Glenline Building by ex-Naval employees, problem of whether we should endeavor open ConGen for normal business will arise Tuesday, August 2. ConGen normally would have been closed Saturday, Sunday, Monday, latter due local holiday. Since easing tension due agreement consult Shanghai Labor Office (mytel 2979, July 31, 10 p. m.), occupation building reduced to approximately 20 ex-employees in lobby, about 60 watching
building from outside. Workers anxious have ConGen resume normal functions and would like to restore our control of front entrance for everyone except themselves. Workers obviously anxious to maintain fiction peaceful picketing and have removed objectionable signs from ConGen entrance.

In my best judgement, ConGen should remain officially closed to general public as long as even a small portion of mob in unauthorized occupation of any part of ConGen with consent of authorities. Resumption of appearance of normality would play into hands of Communist regime naturally anxious to minimize whole affair. Security precautions could not be observed properly with office functioning. Principal and administrative officers and AstALUSNA could not carry on without risk of being seized at any moment. Although we have had water since late afternoon July 30, we still do not have electric lights or power nor safe access to foodstocks. Sudden reimposition of air-tight siege which could easily be effected would place us in serious predicament if entire staff caught there.

Continued closure would give impressive evidence of indignation and extreme gravity with which our Government regards this indefensible transgression. ConGen will, of course, maintain essential reporting through staff American officers and will render necessary services to American nationals on emergency basis. I propose notifying Chinese staff to stay home pending lifting by local authorities of illegal occupation of building except for those required for special duty. I propose to announce publicly merely that ConGen is closed until further notice and to give the correct reason in answer to inquiries. Please advise urgently.

State pass to CNO.

Sent Department; repeated Nanking 1666.

McCONAUGHY

125.857/8-149: Telegram

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

WASHINGTON, August 1, 1949—6 p. m.

1509. Reurtel 2980 Aug 1. Dept concurs ur recommendation official closure ConGen to general public as long as there is any unauthorized occupation any part of ConGen with consent auths. Any public announcement shld contain statement in sense foregoing. Also leaves ur discretion number employees to be on duty in Glen Line Bldg during emergency. As you suggest, protection and necessary services Amer natls on emergency basis shld continue.

ACHESON
WASHINGTON, August 1, 1949—8 p.m.

1511. Dept suggests possibility in negotiations ex-Navy employees that any agreement payment for specified periods might provide for additional amounts at an adjusted rate based on rise in rice or commodity prices. This wld enable payment if necessary of part of larger amounts requested but at a basic rate which would not set unfavorable precedent Amer firms and individuals. Navy states it is not sure this procedure allowable. However, concrete figures passed from Ast-USNA to Navy cld be given consideration. Such offer shld not be made until Navy auth obtained.

ACHESON

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SHANGHAI, August 2, 1949—1 a.m.

[Received August 1—8:28 p.m.]

2983. Re ConGentel 2979, July 31, repeated Nanking 1665, invasion of Consulate General premises. Thomas and Smith a called at General Labor Union (GLU), semi-official Communist agency, at 1:30 p.m. today [August 1] to discuss case and consider recommendations GLU. So-called mediator, named Hsu, designated by GLU. Interview lasted 5 hours, representatives of naval workers were present part time.

Hsu maintained outward air impartiality but had been well briefed by workers and acted as their advocate. He did reject as unreasonable workers’ demand for six and one-half months’ pay. Tactily recognized that Consulate General officers were there as US Government officials, not private citizens. Argued that delay of more than 3 months in reaching final settlement justified increased termination bonus. When figure of 3 months’ pay for all was mentioned, Hsu observed that the lowest paid coolies could not purchase any substantial amount of rice with such a small sum. Mediator thereupon recommended a minimum payment of $150 US regardless of salary level or length of service. This is most costly feature of mediator’s recommendation and would greatly increase total sum payable since many of workers received less than $50 per month.

Thomas of course made it clear to mediator as previously to claimants that he had no authority to make any agreement on the spot; the matter would have to be referred to the Navy Department for decision. He was not at all certain that the Navy Department had the funds to

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a Harry L. Smith, Consul at Shanghai.
cover such a costly settlement. Mediator intimated that details of proposal would not be communicated to claimants yet, and if total sum required seemed excessive after estimates based on payrolls had been prepared, he would reexamine his recommendation. Additional meeting is scheduled for 2 p.m. August 2.

Thomas exerted himself to place the position of Navy and Consulate General fully before labor union. He delivered written memorandum setting forth full facts of case including siege of July 6 and invasion and detention currently in progress. He stressed absence of any legal or moral obligation of Navy for further payment, responsibility of Communist regime for delay in consummating settlement worked out several weeks ago and inability of Consulate General to act on its own responsibility or to serve as transmitting medium when it was subjected to occupation and intimidation.

Mediator said he was sure workers would not interfere with free movement of Consular personnel while answer from Washington was being awaited. He did not touch on vital matter of continued occupation of Consulate General lobby by token force of workers.

Shortly after Thomas returned to Consulate General, we received word that all workers had voluntarily vacated building. Guards were ordered to secure outside gate immediately. While they were doing so workers who had just left changed their minds and came back, pushing their way in and again establishing themselves in lobby. European employee of Consulate General who was watching says they returned after talking to two PLA soldiers who were standing across the street. They are here for night. Undoubtedly workers intend to keep force here continuously until they get their money.

While the workers probably would not stop Thomas, Slayton or me if we sought to leave the building tonight, we have decided to remain. With building unlawfully occupied, there is no security and siege must be considered as still in effect.

Situation highly unsatisfactory, not only because of large increase suggested, which is probably now the least amount we can settle for without trouble, but also because of impasse resulting from our firm refusal to make definitive settlement while building is occupied. Workers equally adamant in their refusal to leave before final settlement.

In my view we must resolutely refuse to give an inch on occupation issue.

The amount of total payment is a more debatable question. We all resent the gangster methods used to extort more money from the Navy and we feel amount suggested is unjustifiably high and an undue burden on our taxpayers and on the Naval appropriations. At the same time, it is a fact that separation bonuses of some sort are by custom payable in China as in most foreign countries by government agencies as well as by private firms and that pattern bonuses paid
by ECA and ESD Shanghai recently set unfortunate precedent fully known to claimants. Furthermore, price of rice (standard unit of value to low paid workers here) has more than quintupled in terms of US currency since end of April. Therefore it is true that proposed payments will buy less rice for most workers than they could have bought with one month's pay at time dismissal.

It seems to me that this highly controversial payments question can only be determined by Navy Department. AstALUSNA compiling US dollars totals from payrolls on hand accordance recommendation payment, roughly estimates will amount to about $150,000 or more than triple original amount CNO permitted him to expend. He will send priority despatch a.m. tomorrow when totals computed.

I trust Department and Navy Department will bear in mind our earnest desire to reach an equitable, dignified and consistent settlement of this business which will enable the Consulate General to resume its important reporting and protective functions unimpeded at this most critical time for American interests in Shanghai. At the same time essential principles involved are even more important than the uninterrupted functioning of the office. We shall be in some personal jeopardy if the proposal is rejected, but this should not be a governing consideration. We do not wish to yield to intimidation. If amount proposed is found to be entirely outside bounds of reason, I recommend refusal, AstALUSNA concurs.

AstALUSNA and I request instructions within 48 hours if at all possible, as to maximum amount we should agree to. We also request endorsement our position we will not pay one cent until besiegers are removed from Consulate General building.

Department pass to CNO.
Sent Department 2983; repeated Nanking 1667.

McConaughy

102.22/8-249: Telegram

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

Shanghai, August 2, 1949—1 a.m.
[Received August 1—11:37 p.m.]

2984. Reference invasion Consulate General building by ex-Naval employees, Chase succeeded today [August 1] in getting message, stressing the seriousness of the situation, to General Chen Ming-shu, head of Shanghai branch of KmtRC. Han Ming was the intermediary. Han informed Chase that he personally saw General Chen just before noon and impressed the gravity of matter upon him. General

22 August 2; this telegram was apparently drafted before midnight on August 1.
23 KmtRC = KuoMintang Revolutionary Committee.
24 For correction, see telegram No. 3026, August 4, 4 p.m., p. 1266.
Chen assured Han that he would see General Chen Yi, Mayor of Shanghai and the highest political and military personage in the city, during the day and apprise him of the situation.

Chase also saw General Yang Ho, head of the Green Gang, today. Yang Ho reported to Chase later that he had investigated and was hopeful of an early improvement in the situation.

Yang Ho's present influence is doubtful but the approach to Chen Yi through Chen Ming-shu should have significance. It certainly cannot be alleged later by the Communist regime that it was not informed of the affair. The authorities, political, police and military, have been approached at numerous levels and from numerous directions with urgent requests for intervention accompanied by explanations of the implications of the siege and occupation.

Department pass CNO.

Sent Department 2984; repeated Nanking 1668.

McConaughy

893.00/8-249: Telegram

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

Peiping, August 2, 1949—6 p. m.

[Received August 2—12:15 p. m.]

1270. [To Nanking: ] July 31, 11 a. m. Re Embtel 306, July 29.25

Yesterday discussed matter with Joseph Chang, gave him unsigned memo incorporating essential info and representations suggested ref tel as message Ambassador desire him or father communicate Chou or Mao. (Assuming from language ref tel some local discretion, made text read “lack official diplomatic relation” as taking him more out of picture and “in tragedy and in that event” as having greater possible effect.)

Chang to see father today, will inform me whether action feasible. Says Communist leaders in conference last week, recently unavailable.

Sent Nanking 906, Shanghai 843.

[Clubb]

102.22/8-249: Telegram

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

Shanghai, August 2, 1949—7 p. m.

[Received August 2—8:45 a. m.]

2990. Siege ConGen building lifted 5:50 p. m. August 2nd Local Standard Time on order General Labor Union following second ses-

25 Same as telegram No. 1651, July 29, 11 a.m., from the Ambassador in China, p. 1248.
sion with Thomas and Smith this afternoon. Last unauthorized person has left building and outer gate secured. Besieged officers going home for first time since July 29. ConGen plans to open for normal business tomorrow. For details settlement proposed to Navy by General Labor Union, see ASTALUSNA telegram to CNO 020940Z.  
ComMarianas, please pass to Ambassador Stuart.  
Sent Department, repeated Nanking 1670, Canton 936, Peiping 235.

McCONAUGHEY

893.00/3-249: Telegram
The Consul General at Peiping (Clubb) to the Secretary of State

Peiping, August 2, 1949—11 p. m.  
[Received August 2—12:30 p. m.]

1281. [To Nanking:] August 2, 11 a. m. ReContel 906, July 31.  
Informed Joseph Chang yesterday of latest developments for information father who was seeing various Communist leaders at Army dinner last night.

ReDeptel 508, July 30. Yesterday forwarded letter General Headquarters PLA as organ presumably having final authority over actions Shanghai MCC responsible organ Shanghai. Requested headquarters promptly cause Shanghai military authorities bring immediate stop mob action and direct those authorities that any settlement dispute should be effected through usual channel peaceful negotiations.

ReContel 810, July 8.  
Case in point good example difficulties conducting negotiations re official matters through Aliens Affairs Office. This fact emphasized July 31 to Chang who said perhaps he and father would suggest to Communists there be provided more suitable channel for handling consular affairs.

Sent Nanking 913; repeated Department 1281, Shanghai 847.

[CLUBB]

102.22/7-3149: Telegram
The Secretary of State to the Consul at Shanghai (McConaughy)

Washington, August 3, 1949—4 p. m.

1517. Reurtel 2978, Jul 31, it is suggested ConGen (or Emb) within its discretion endeavor interest Indian representation Shanghai (or

56 Not found in Department of State files.
57 Ambassador Stuart was on route to the United States.
58 Same as telegram No. 1270, August 2, from Peiping, p. 1263.
59 Apparently a telegram to the Embassy at Nanking, not found in Department of State files.
60 Repeated to the Embassy at Nanking as No. 912.
Nanking) in question Sikh participation ConGen difficulties with ex-
Navy employees. Approach would also be applicable to Sikh involve-
ment in other labor disputes where there is incitement by local ele-
ments. Point out in connection ConGen siege every endeavor arrive
fair settlement made by US Govt; ConGen obviously unable negotiate
under duress; Foreign Affairs Bureau expressly requested no settle-
ment until it reviewed case; FAB failure act on Navy team proposal;
Request Indian rep bring foregoing attention Sikh leadership Shang-
hai, pointing out that any situation in China involving disorder,
lawlessness affects position all foreigners.
Indian Emb here and AmEmbassy Delhi being informed along
foregoing lines with request for action Indian FonOff.

ACHESON

123 Olive, William M.: Telegram

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

NANKING, August 3, 1949—6 p.m.
[Received August 3—5:26 p.m.]
1703. Re Deptel 813, July 11, 41 and Embtel 1548, July 18. In view
long delay Olive’s departure and fact that case strongly protested
Shanghai, Peiping and via VOA, we feel no useful purpose served by
Nanking protest at this late date. Local Aliens Affairs Office would, in
any case, simply refuse accept as outside their jurisdiction.
Departure of Ambassador and consequent severing special personal
channel to Huang Hua raises question whether in future there is any
value in making representations here regarding incidents occurring
Shanghai or other cities. We have been clearly informed on various
occasions that jurisdiction of local Aliens Affairs Office does not extend
to Shanghai, and experience has proved that “protests” relating to
Shanghai will be curtly rejected—sometimes without even the formal-
ity of reading.
Our considered view is that, if we are successful in reestablishing
channel to Huang Hua, we may sometimes usefully seek his informal
assistance with regard to matters involving other areas, as we did in
Mukden case. However, the presentation for facile rejection of protests
pertaining to other areas on which Aliens Affairs Office would feel no
responsibility for action, may do more harm than good. (This view
supersedes that expressed point 3 Embtel 1628, July 26 42 before Amb-
assador’s departure.)
Sent Department 1703; repeated Shanghai 940.

JONES

41 Same as telegram No. 1382 to Shanghai, p. 1224.
42 Ante, p. 802.
The Consul at Shanghai (McConaughy) to the Secretary of State

SHANGHAI, August 4, 1949.
[Received August 4—5:53 a.m.]

3023. I assumed charge of this Consulate General at COB 43 July 15 when Cabot left for Nanking. Official announcement withheld until Cabot’s departure from China.

Sent Department 3023; repeated Nanking 1684, OffEmb Canton 941.

McCONAUGHY

102.22/8-449 : Telegram

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

SHANGHAI, August 4, 1949—4 p.m.
[Received August 4—12:59 p.m.]

3025. As result disguised manner of speaking which I and Chase had to employ in phone talks during workers’ siege building, errors occurred in Contels to be corrected as follows:

Contel Department 2972, July 30 (Nanking 1660, Peiping 232). Han Ming did not state that political section PLA was backing demonstration and directing Foreign Affairs Office’s handling of affair. When Chase mentioned loss of PLA support as indicating need of approaching some high PLA official, Han was noncommittal. However, 2 days before he had indicated to Chase that Chang Han-fu might have to consult higher official before considering a communication from Chase which Han had delivered to Chang.

Contel [to] Department 2984, August 1 [2] (Nanking 1168). Intermediary who conveyed Chase’s message to Chen Ming-shu was not Han Ming but a retired Chinese diplomat of ministerial rank. Green Gang representative seen by Chase was not Yang Hu (who now in Peiping) but his assistant L. P. Sun.

Sent Department 3025, repeated Nanking 1685, Department pass Peiping 240.

McCONAUGHY

125.8571/8-449 : Telegram

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

SHANGHAI, August 4, 1949—7 p.m.
[Received August 5—2:24 a.m.]

3039. ReConGentel 2895, July 22, repeated Nanking 1627, house tax on Government-owned buildings Shanghai, Bureau Finance has rejected any request for exemption US Government owned property

43 Close of business.
from tax. Bureau stated request was inconsistent with provisional measures for collection house tax for months May and June promulgated by Municipal Government. Discovered that through clerical error resulting misplacement decimal point total bill May and June only one-tenth amount previously reported. Correct amount is PN 44 2,277,000, equivalent US dollars 1,035. Assessment for several Government-owned properties here not yet received.

Although amount involved much less than previously indicated, it is still substantial. Further increase later date is quite possible. If we concede our liability to this tax, it would pave way for later Communist expropriation property without compensation. This purpose would easily be accomplished by tax increases.

Understand Chinese and foreign real estate boards protesting both house taxes and land taxes on valuable properties asserting in many cases owners literally unable to pay. American School has received retroactive land tax bill equivalent US $276,600 covering 3 years 1947-49.

Although we may be forced out of some or all our property here if we refuse to pay, I believe risk will have to be run in order maintain vital principles involved. I doubt if Communists will actually evict us from our properties unless they intend eject US in any case from occupied China. Hence it may well be we have nothing to lose by standing firm. We have better case for exemption from real property taxes [than] from vehicle taxes. Latter paid this week.

While it is a temptation to pay the rather small tax on principal officer's residence on Route Delastre (only US $18) in order to tighten our hold on the property which may be challenged, I believe on principle we must refuse to pay this assessment also.

If same taxation principle being applied our properties in all areas Communist China, representations Peiping covering all cases might serve useful purpose.

Sent Department, repeated Nanking 1690.

McConaughy

893.918/8-549: Telegram
The Consul General at Peiping (Clubb) to the Secretary of State

PEIPING, August 5, 1949—5 p. m.
[Received August 17—11:09 a. m.]

Copy by post. 45
Sent Department, repeated Nanking 938, Shanghai 859.

CLUBB

44 People's Notes (Chinese Communist currency).
45 Despatch No. 106, August 5, not printed.
The Consul at Shanghai (McConaughy) to the Secretary of State

Shanghai, August 9 [7], 1949—9 [17] a.m.
[Received August 9—3:12 a.m.]

3082. Follows a substance information given by Randall Gould to ConGen August 6:

At meeting August 4 workers first demanded severance pay each employee one and one-half year’s wages, later reducing this to 3 months’ pay for workers, 7 months’ for staff, aggregate payment approximately US $100,000. Gould feels that this excessive but in principle took notice of fact that majority workers had given long service and relatively their wages among lowest in Shanghai. In light these facts he considers their demands by no means unreasonable.

Following August 4 meeting Gould immediately sent message to Starr reporting workers’ demands and asking for immediate reply. To date no word. Gould went to plant August 6 informing workers he deeply regretted delay; again made it clear he cannot bind Starr or guarantee anything. Reiterated offer apply own and wife’s resources to utmost if necessary. Workers manifested patience. Evidently expecting deal go through, they promised no more lock-ins.

Gould said if Starr does not approve terms he fears worst for himself and wife without whose moral support he would have already collapsed; he realizes he is temperamentally unsuited take type punishment he has experienced; he has almost reached limit his endurance; and rather than suffer more such experience he would almost welcome being jailed. Jailing might have wholesome effect making people back home realize seriousness his predicament.

Position Miner representing all Starr interests including American Asiatic Underwriters Bank, Reliance Motors, Metropolitan Motors, Metropolitan Land even worse than Gould’s. While Starr may agree to workers’ terms for Evening Post, corresponding problems other five Starr organizations developing rapidly and thus far with no basis of hope for settlement. All five organizations in deep water financially, probably forced suspend operations. Workers all five organizations demanding not less than 7 months’ severance pay (apparently accepting inevitability closure). Starr’s Hong Kong representative has refused consider workers’ demands, offered no more than one and one-half month’s pay. Miner in impossible position, workers pressuring local authorities to deny him exit visa. Workers [of] Reliance Motors which in particularly bad financial state are extremely tough crowd. Payment of claims of workers of five organizations would total about US $500,000 in addition to US $100,000 for the Post.

Gould said Post has additional problem meeting many claims which could probably be paid off by selling some of plant’s properties. As
indication of impossibility operating newspaper in Shanghai under present conditions, he stated Post's pay roll alone would total about US $16,000 per month compared former US $3,500; higher pay roll, other increased expenses would involve net loss probably not less than US $10,000 per month.

Gould expressed appreciation McConaughy for what ConGen had done to assist him. Would appreciate if pertinent points of above information were transmitted to Dept—with suggestion, if thought proper, that Dept contact Starr's Washington representative G. M. Rosse, % Paul V. McNutt, with view reemphasizing to Starr seriousness Gould's and Miner's position and grave need acceptance Post workers' terms if further persecution Gould is to be avoided.

Gould pointed out that if USA dollar did not have extremely unrealistic local value wage disputes could be settled fraction cost now indicated.

McConaughy

811.51288/8-749: Telegram

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

SHANGHAI, August 7, 1949—2 p.m.
[Received August 7—3:40 a. m.]

3086. Gould informs Consulate General telegram just received from Starr states latter meeting Stuart, Cabot [in] Washington Wednesday, 10th, after which will instruct Gould but meantime latter not authorized negotiate settlement basis demands outlined ConGenTel 3082, August 7, and suggesting alternative considered is acceptance resignation Gould and resumption publication Shanghai Evening Post under Miner.

Gould stresses utter impracticability Miner's operation paper account his already heavy preoccupation with problems other Starr interests Far East, aside from other virtually insurmountable problems confronting foreign publications here, and points out that acceptance Gould’s resignation by Starr would have no effect upon Gould’s predicament until labor settlement reached.

View pattern wage settlements thus far established Shanghai and experience Consulate General with ex-Navy employees, Consulate General of opinion substantial settlement authorized by Starr least troublesome way out of impasse for all concerned.

Suggest Department pass this and reftel to Cabot prior Wednesday meeting with Ambassador and Starr.

McConaughy
SHANGHAI, August 8, 1949—9 a.m. [p.m.?]

[Received August 9—12:16 a.m.]

3117. ReDeptel 1517, August 3, representation to Indian Ambassador re Sikh participation invasion ConGen by ex-Navy employees. Pursuant instructions I called on Indian Ambassador Panikkar now in Shanghai re this matter on August 5. I left with Ambassador list of about 35 Sikhs [who] participated, names of 6 worst offenders being underscored. I told him one of Sikhs, Kundam Singh, was worse offender than any of Chinese. This man was leader of extreme element which on afternoon July 30 urged and almost persuaded entire group to barricade 6th floor ConGen building and take me prisoner. I knew Indian ConGen Shanghai was embarrassed over whole affair and both before and during siege had done what he could to dissuade Sikhs. Hence I softened my approach as much as possible and stressed my appreciation loyalty Sikhs employed by ConGen who were fully prepared defend Consular officers with their lives.

Indian Ambassador expressed great regret at Sikh involvement, mentioned in extenuation following facts:

(1) Sikh local community not organized, has no recognized head and no cohesion. Most Sikhs have been here over 20 years, are married to Chinese, and consider themselves more Chinese than foreign.
(2) Indian ConGen has been working continually since early June keep Sikh ex-Navy employees from taking drastic action. Indian ConGen Uppal has exposed himself to abuse and possible violence at hands Sikhs in his efforts restrain them.
(3) Indian diplomatic representatives in China of course have no police power over Sikhs or anyone else.
(4) Indian Government has been doing everything possible repatriate Sikhs from China, having reduced total number from 7,000 to 300 in last several years. Remaider is hard core difficult to influence.
(5) Sikhs apparently entitled to some separation pay by US Navy and long delay of 3 months in making settlement increased difficulty of restraining them.
(6) British Government, not Indian Government, was responsible for bringing out Sikhs from India to Shanghai. Indian Government would never have allowed Sikhs of this sort to leave India. British brought them out during extra-territorial days [to] act as policemen in furtherance British colonial interests and, if there is any responsibility along this line, British Government should shoulder it rather than Indian Government.

Did not seem fruitful pursue divergent excuses raised by Ambas- sador so, after pointing out considerations mentioned in Deptel and making suggestion recommended by Department re effect of disorder and lawlessness on position of all foreigners here, I thanked him and departed.
Please inform Embassy New Delhi.
Sent Department, repeated Nanking 1723.

McConaughy

333.1163/8-1049: Telegram

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

SHANGHAI, August 10, 1949—7 p. m.
[Received August 11—1:52 a. m.]

3166. Following is brief survey certain difficulties facing Protestant missions central China as gleaned from conversations various missionaries supervisory positions, especially Methodist, Baptist, and Presbyterian.

Chief difficulty is limitation on freedom movement. As rule missionaries in interior cannot obtain travel permits to attend Christian conferences other points even when nearby. Chinese Christians have similar difficulty. Numerous missionaries interior points have been unable obtain permits proceed Shanghai and this difficulty may interfere with evacuation missionaries interior points who desire leave. Missionaries supervisory positions Shanghai such as Bishop Ward, Methodist, and Frank Price, Presbyterian, unable obtain travel permits to enable them visit their supervisory areas.

Fine Methodist hospital at Suchow virtually taken over by Communist authorities in absence Director, Dr. F. P. Manget. They were spearheaded by Party member who maneuvered himself into hospital staff on pretext he was expert radiologist. He has intimidated Chinese Executive Board left in charge by Dr. Manget.

Missionaries in worst famine areas such as Nanchang in potentially serious predicament because impossibility sending relief supplies to them for distribution. In some cases cash remittances hard to transmit. Since missionaries unable contribute anything to relief of famine and cannot starve themselves they are in vulnerable position, inviting criticism or worse from Chinese rendered desperate by semi-starvation. Yet in many cases they are unable get permits to leave.

Communist inspectors are showing up in most of mission schools. While Bible can still be taught as elective subject, most schools interior and theological seminaries not yet closed down, grounds already exist for suspicion increasingly unacceptable interferences with curricula will take place.

Hipp at Baptist University of Shanghai already informed courses in Theology, History of Religion, Religious Education, Ethics and Philosophy must be dropped from curriculum. He is convinced Communists intend pervert Christian universities into Communist-indoctrinated institutions. Ironically, Communists still hopeful obtaining remittances from American Christian mission boards to propagate
Marxism and atheism. Hipps of opinion time has about come for boards in US to cease remittances and for Christian teachers to leave. Significant that Communists now are interfering more actively with university curricula than with middle schools, indicating early Marxist indoctrination mature students contemplated.

Intermittent occupation of mission school properties by Communist soldiers, of course, constant problem.

While it is too early generalize, I share forebodings of those missionaries here who feel for sake of Chinese Christians (many of whom feel foreign missionaries temporary liability) as well as for safety of missionaries themselves and to prevent misuse missionary funds from US we must reconcile ourselves to temporary ebb foreign mission activity here—especially educational and evangelical as distinguished from medical, which will have somewhat better prospects if hospitals subject themselves Communist supervision.

Sent Department; repeated Nanking 1737, OffEmb Canton 983.

McCONAUGHY

125.357/8-1149: Telegram

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

SHANGHAI, August 11, 1949—9 a.m.

[Received 12:26 p.m.]

3185. After mature reflection I have come to firm conclusion time has come to reduce staff ConGen materially. Present work load does not justify retention more than 50 percent American staff. Assuming continuation blockade and indefinite continuance nonrecognition status, prospects are that except for protection and evacuation work, all sections will continue with reduced load through autumn and winter. Routine work in shipping, invoice, notarial units practically nil. Volume visa and citizenship work down over 50 percent with further reduction in prospect if evacuation of foreigners takes place. USIS closed down by authorities, volume of political and economic report greatly reduced by absence mail service. Volume administrative work decreased more or less directly in proportion reduction personnel other sections.

With other posts seriously understaffed, we cannot justify retention large staff with little to do.

Almost equally compelling is welfare argument. Assuming blockade and nonrecognition continue, all signs point to winter of great adversity for foreigners Shanghai. At worst we may be confronted with indiscriminate retaliatory action against foreigners by Communist regime goaded to fury by insoluble economic problems, unfairly blamed on West; food riots turned against foreigners by vindictive Communist propaganda; uncurbed baiting foreign employers by dis-
charged Chinese employees; general denial of equal protection to foreigners with or without consent top Communist authorities; and some limitation on local freedom movement foreigners who may be regarded in some sense as hostages.

At best, under assumptions postulated we can expect better of privation; acute lack of fuel leaving us alternatives either going cold or spending prohibitive amounts for space heating and hot water; serious lack local transportation; constant petty annoyances, mounting cost of living in terms US dollars probably beyond range post allowances; possibility punitive action at any time by unfriendly authorities; constant badgering from cold and undernourished people bound to be very numerous; continuous possibility eviction office and Government-owned houses for nonpayment Communist imposed taxes; intangible but real and accumulative burden of prolonged isolation in beleaguered city.

While this dark picture would be greatly brightened by lifting of blockade or improvement relations with Communist regime, I believe Department will agree we cannot count on such a turn of events in the near [apparent omission] as inevitable first step retrenchment program. Fifteen of them definitely apprehensive and prefer to leave, 2 on fence, and only 3 desirous of remaining. While we could use a few stenographers to good advantage, there being no male stenographers on staff, we can get along without stenographers and I do not believe the Department will wish to take the responsibility of exposing women to conditions I have outlined when their presence not absolutely necessary. I have no special reason to believe that our women staff members would be in direct danger of personal molestation, but the hardships specified would seem to tip the scales in favor of getting them out. Accordingly, I recommend that immediate TO's be issued to those listed below: Surnames: Brubaker, Burrell, Dodge, Fay, Fisher (TO for Calcutta already requested), Gerathy, Josselye, Kulbacki, Mayor, McGinnis, Parker, Rex, Robertson, Schilling, Smith, Stannard, Steiner, Turner, Thomson, Sullivan. Following have travel orders, waiting transport out: Gardner, Harrelson, Murchinson, Thompson.

I suggest those due or nearly due for home leave be ordered to US; others to be assigned to posts in Far East so as to keep travel expense at minimum, unless services specifically slated elsewhere as in case Fisher (Calcutta).

It may be impossible to obtain Communist exit permits or to obtain transportation, but we must make the effort, and TO's are essential first step.

*Travel orders.
I propose reduction approximately 40 in male staff; and large cut
in local staff if we can withstand labor crisis which might be precipi-
tated thereby.

Separate telegram elaborating recommendations as to male Ameri-
can staff will follow tomorrow. 47

Sent Department; repeated Nanking 1746, OffEmb Canton 991.

McConaughy

125.8571/8-1849 : Telegram
The Consul at Shanghai (McConaughy) to the Secretary of State

SHANGHAI, August 18, 1949—8 p. m.
[Received August 18—6:56 a. m.]

3806. Notification of August 16 re land taxes provides amendment
to original notification to effect that failure to pay land tax within 25
days following receipt of notice results in fine of 1–1/2 percent of tax
per day and additional 30 percent in case payment delayed over 40
days. ConGen has received notice for some properties and replied to
Land Tax Bureau in same vein as in case house taxes (reConGentel
2895, July 22). No reply yet received.

McConaughy

893.918/8-1849 : Telegram
The Consul at Shanghai (McConaughy) to the Secretary of State

SHANGHAI, August 18, 1949—6 p. m.
[Received 10:04 p. m.]

3318. Remytel 2943, July 28. August 18 workers again (Gould case
still unsettled) invaded office and held Miner, who was later joined by
Gould, for several hours during which time they ransacked desks,
taking cigarettes, other small items. Before going to join lock-in,
Gould called Labor Bureau to ask assistance in dispersing workers.
Was told a police matter, not labor. Assistance refused. After Gould
joined Miner, ConGen reported matter to police who replied would
refer to military commander. Shortly thereafter, whether on basis our
call, his call or other cause, union officials appeared and dispersed
crowd after Gould signed statement saying he “hoped” to have funds
for the next day. This was compromise on workers’ demands for firm
promise. August 18 Gould borrowed sufficient funds National City
[Bank of New York] on basis stocks newspaper and possible sale of
press to meet mid-month pay roll so is clear until September 1. Gould
now attempting reach official in Labor Bureau who will lay down terms

47 Telegram No. 3211, August 12, 10 p. m., not printed.
of final termination settlement and conclude sale of property which will realize funds to make 3-month pay off, thus making total of 4 since one already paid. Strong possibility such settlement satisfy workers but if not Starr may be asked put up some additional to ransom Gould.

McConaughy

102.22/8-1949: Telegram

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

SHANGHAI, August 19, 1949—3 p.m.
[Received August 19—6:26 a.m.]

3333. Usually reliable intelligence sources indicate possibility imminent new invasion ConGen for collection severance pay for approximately 150 ex-US Navy employees retained after departure Navy for varying short periods to guard valuable abandoned Navy property pending its disposition. Department will recall funds provided by CNO this purpose (Deptel 789, April 28 48) upon urgent request ConGen were utilized retain security guard force, drivers, skilled laborers, etcetera, until after returned Navy mission team had completed property disposal approximately mid-May.

Although these employees were also included in list given USN severance pay last week, they reportedly now claim separate bonus due account separate ConGen employment.

I propose have Thomas take up matter with General Labor Union mediator pointing out absurdity double bonus claim and suggesting applicability waiver signed by each individual ex-Navy employee when paid bonus last week.

Matter further complicated by persistent representations 13 Sikh guards who employed temporarily for occupied ConGen residences during approximately 2-week period just before and during Commie takeover. These Sikhs who also included in Navy security force claim they entitled bonus account danger to lives, separation from families and loss of other employment during period temporary employment ConGen. Indian CG who asked intervene admits helplessness and suggests only way to end trouble is to meet negotiated demands this group. Since these 13 also among principal agitators group described above and account doubtful support Labor Union our position, urgently request special allotment US dollars 500 for payment special bonus this group. Would represent as double time payment special risks involved and not as separation bonus.

Department pass for information to CNO and ComSeventhTaskFlt. Sent Department, repeated Nanking 1798.

McConaughy

48 Not printed.
49 Consul General.
552-963—78—81
The Consul at Shanghai (McConaughy) to the Secretary of State

SHANGHAI, August 19, 1949—4 p. m.
[Received August 19—5:57 a. m.]

3338. Have received bills for house taxes US Government property Shanghai and some land tax bills (telegram 384, August 12\(^{60}\)). House tax notices returned with letter stating since, contrary generally accepted principles relations between nations, for one to tax property of other, assumed notices sent in error. Notices returned several days later with comment our stand not accepted. Consulate General took no further action. August 17 five representatives Tax Bureau inspected Consulate General and brought up subject of payment. Given answer along same lines which they asked be confirmed in writing. No reply yet. Land Tax Bureau informed in same vein without returning notices, no reply for past week. Shanghai regulations do not contain clause re court appearance after 30 days overdue nor have we been required to report properties. For Department, would appreciate advice as to stand if called to court for non-payment.

Sent Department, Department pass Tientsin 117, Peiping 270, repeated Nanking 1799.

McConaughy

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

SHANGHAI, August 19, 1949—6 p. m.
[Received August 21—12:56 a. m.]

3344. Re CorGenTel 2990, August 2. Unfortunate that absence mail service prevents submission comprehensive report occupation ConGen by ex-Navy employees. In order place affair in some perspective and pull together loose ends, following concluding observations submitted:

1. Undoubtedly authorities acting through semi-official agency General Labor Union did order demonstrators from building on August 2. Convincing evidence at hand that SMCC through Aliens Affairs Bureau followed affair closely from considerable distance and was increasingly perturbed by mounting proportions which incident assumed when nothing vital was at stake from Communist viewpoint.

2. Although authorities did finally intervene behind scenes, their extreme reluctance take any public action which might be construed as directed against proletariat is significant indication of lengths to which they will go even in face damaging criticism abroad to maintain appearance solidarity regime with workers.

\(^{60}\) Same as telegram No. 618 from Tientsin, p. 1102.
3. ConGen successfully maintained its stand on basic issue that it would not bow to intimidation by agreeing to any settlement while workers were in unlawful occupation building. Workers evacuated August 2 and settlement offer transmitted to GLU 3 p.m., August 3. ConGen was under no commitment to agree to any settlement before that time.

4. Final settlement was in effect compromise between original Navy offer of 2 weeks' to 1 month's pay and workers' demands of 6 months' pay. It is undeniable settlement finally reached, while better than we had any right expect during darkest hours siege, did cost Navy slightly more than 3 times amount originally estimated and violent conduct of workers did indirectly serve increase amount which they received. This is true notwithstanding fact we steadfastly refused yield to pressure tactics while they were actually being applied. From financial and prestige standpoints I am dissatisfied with outcome affair. It is part of price we have to pay for living with regime which, partly perhaps through confused ignorance and unpreparedness re foreign affairs but at least to larger extent by deliberate intent, has thus far grossly violated rights of foreign governments and nationals and which has universally supported exorbitant severance pay demands of increasing hordes dismissed employees in contracting economy. Settlement we made was more favorable than most foreign firms have been able achieve but less favorable than some Chinese settlements made under corresponding conditions here since Communist take-over. Noteworthy that majority foreign community seemed think our tactics sound although small fringe at one extreme argued we should never have paid a cent or dealt with any Communist representative, while fringe other extreme argued we were too firm, arousing needless antagonism Communist authorities by uncompromising stand we took on basic issue.

5. Although authorities eventually intervened in covert manner giving clear indication they did not wish final showdown this issue, they still have given us no redress, they do not openly admit they intervened, of course have expressed no regrets, have not disavowed action officials who refused intervene and have given us no assurances they would behave any differently if we are subjected to similar indignity in future labor crises.

We have no way making effective representations covering lock-in and threatened violence against several senior officers or prejudice to US Government interests occasioned by complete paralysis of office for 5 days and tie-up of entire staff, American and alien, for that period. We are delivering strongly worded protest to Aliens Affairs Department shortly. After delivery text will be telegraphed.

6. Incident afforded impressive evidence usefulness Chinese intermediaries belonging non-Communist fellow-travelling minority parties, especially Han Ming of Democratic League and General Chen Ming-shu, KmtBC leader. Consul Chase worked unremittingly on outside to have remedial action taken by officials. His many fine Chinese contacts served our interests well. We are indebted to Han Ming in particular for his strenuous and eventually successful efforts activate authorities. Consul Chase played large role in settlement of affair and is deserving special commendation. His painstaking efforts over long period build up useful Chinese contacts paid off handsomely in this
instance as in many others. Account of his efforts over period July 29-
August 2 is being rendered separately. 31

7. Looking back it is now plain most dangerous period was after-
noon and evening July 30 when mob was in highly inflammable state
which could easily have resulted in violence against responsible Con-
Gen officers and sacking of ConGen building and commissary. Serious
developments at this time were probably averted by praiseworthy ac-
ton of Thomas who voluntarily subjected himself to nonstop 25-hours
session with workers and by our offer to transmit to Navy Department
for workers message which they had drafted. This offer, while later
rejected by them when new and more intransigent mob leader took
charge, did syphon off some pent-up fury of mob at critical time.

8. Real turning point in incident came on July 31 when I decided
authorize Thomas consult on purely advisory basis with GLU re
possible solution. Reasoning back of this decision set forth Con Gentel
2979, July 31. Injection good offices GLU into picture gave Communists
face-saving formula they needed to extricate themselves and bring
pressure to bear on workers through organization only semi-official
and in theory partly controlled by labor to evacuate building and scale
down their demands appreciably.

Throughout affair my objective was, while adhering to essential
principle, to show certain pliancy which would convince Communists
in absence coercion they could negotiate with us on local issues on basis
which might prove mutually satisfactory to some extent. I hoped thus
establish precedent which might be useful for future. I believe this
objective was in some measure achieved. Communist officials did sit
down across table with ConGen representatives and went through pro-
cess of reasonable give and take for first time. There is reason to believe
this example has not been entirely lost on Communists. Their apparent
inclination negotiate such questions as disposal ECA cotton and yarn
stocks indicates they may have learned it will be expedient to deal with
us on certain issues even though they persist in maintaining fiction we
have no consular status. To extent we have achieved this objective, a
certain limited amount of good may have come out of this unfortunate
affair.

I wish to acknowledge with special gratitude invaluable advice and
support I received from Embassy at Nanking. Wise counsel and back-
ing of Ambassador Stuart and Counsellors Cabot and Jones fortunately
were at my disposition at all times thanks to continued availability of
long-distance phone as well as radio communications. Forthright rep-
resentations Consul General Clubb at Peiping may have had important
bearing on change in attitude authorities on August 1 and 2.

It should be borne in mind our emergence virtually unscathed from
this crisis does not signify we are exempt from further labor crises.
Although this incident seems permanently settled with pay-off of
workers and signing of quitclaims by them this week, there are other

31 Not printed.
ominous clouds on labor front and we may have renewed unpleasantness with Chinese and Sikhs who have been and will be discharged by other US Government agencies here. While new labor laws may modify their stand, authorities thus far appear still assert in principle right of employees or ex-employees occupy premises of employer during labor dispute and to confine employer under trying conditions until settlement extorted from him.

Sent Department; repeated Nanking 1801.

McConaughy

803,918/8-2349: Telegram

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

SHANGHAI, August 23, 1949—6 p.m.

[Received August 23—9:26 a.m.]

3400. ReConGentels 3082, August 7, 3086, August 7. Fresh from 3-hour session workers, Evening Post labor mediator, Gould reports unsatisfactory conversations. Felt he had been bullied and all decisions made favorable to labor without regard management’s side or provisions newly promulgated regulations re labor management relations (refConGentel 3383 and 3384, August 22 [2]). Held to following points:

(1) Gould is personally responsible since he Starr’s authorized agent.

(2) Interpret Gould’s recommendation in telegram to Starr re 9 months’ pay for workers and 7 for staff as promise to workers to pay that amount. Mediator stated since union says he promised, their word accepted and Gould has not lived up to promise. Now state he must pay workers 8 months and staff 6.

(3) Unless settlement made before August 31, must continue pay workers.

(4) Workers are to be considered on payroll until final settlement.

Sum total required by Gould to liquidate approximately $80,000. Part of this (estimated at roughly 50 percent) could probably be raised by sale of plant if workers would vacate promptly but now in belligerent mood. Little likelihood their vacating until demands met. Gould seemed at end of his rope and felt remittance from Starr full amount demanded thus enabling him liquidate and sell was only solution. ConGen believes it important free Gould from continuous threat lock-in, other bullying tactics. When Gould remarked he expected face another lock-in, mediator harshly told him not mention possibility; however, given clearly understand authorities would not be interested or give protection in such event. Obvious authorities do not intend re-
spect own regulations unless it suits them. This based on mediator's statement new regulations do not apply this case.

Department pass to Starr at its discretion.

McCONAUGHY

102.22/8-2449: Telegram

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

SHANGHAI, August 24, 1949.
[Received August 24—3:46 a.m.]

3408. Following letter of protest of siege of ConGen by ex-Navy employees July 29 to August 2 despatched August 22:

"Mr. Chang Han-fu, Alien Affairs Department, Shanghai Military Control Commission, Broadway Mansions, Shanghai. On Friday, July 29, at 7:30 a.m. a group of approximately 30 to 40 workers representing themselves as delegates of the former employees of the US Navy forced their way into the premises of No. 2 Peking Road, which is owned by the Government of the US, and announced their intention of remaining in occupancy of the building indefinitely until satisfactory settlement of their demands regarding separation pay and severance bonuses had been agreed upon. Since this action constituted an illegal invasion of US Government property and was also in contradiction of our understanding of point 8 of Chairman Mao Tse-tung's proclamation regarding the protection of foreign property, we protested this action to the Alien Affairs Department of the Shanghai Military Control Commission. Furthermore, since the continued unauthorized presence of crowds varying from 20 to 50 within the premises of the building constituted a continuing threat to the maintenance of law and order, we also protested this potential violation of the peace to the local public safety officials.

"Below is set forth a record of the attempts which were made to secure intervention by the proper authorities:

1. At 7:30 a.m., on July 29 the Bureau of Public Security of the Whangpoo police station was informed of the invasion of our premises and the officer on duty indicated that police would be sent over.

2. At 9:35 a.m., on July 29 Mr. Reuben R. Thomas called upon Mr. Feng of your office and informed him of the developments. He called attention to the fact that the dispute between the workers and the US Navy, in which the representatives of this office were acting merely as go-between, had been fully laid before the Alien Affairs Department in our letter of July 15 and that we had been requested to take no further steps pending advice from your office; and had been assured that no violence would be permitted pending the receipt of such advice. Mr. Feng defended the action of the workers by insisting that, as ex-employees of a former occupant of 2 Peking Road, they had a legitimate right within the premises. Mr. Feng's attention was also called to the fact that invasion of the premises of 2 Peking Road constituted a violation of the most elementary principles of international law and universal practice, since the premises
in question were the property of the US Government and used for official purposes.

"3. At approximately 10 o'clock on July 29 a second call to the Whangpoo police station inquiring why police had not arrived was answered by the statement that the police could not intervene in what they termed a labor dispute.

"4. At approximately 11 a.m., on July 29, 2 officers from the Whangpoo police station came to the premises and talked with the workers' delegates, but refused to discuss matters with personnel of this office.

"5. At approximately 2 p.m., on July 29, the Whangpoo police station was again called and again refused to intervene in what they termed a labor dispute.

"6. At approximately 2:30 p.m. the Alien Control Department of the Bureau of Public Security at the Foochow Road central police station was informed of the situation and likewise refused to intervene in what they termed a labor dispute.

"7. At approximately 2:30 p.m., on Saturday July 30, a representative of this office delivered to an official of the Alien Affairs Department in its new offices at Broadway Mansions a communication which set forth the urgency and danger of this situation, and was informed that the communication was provisionally accepted although responsible officials were not available at the moment.

"8. At approximately 8:30 p.m., on Saturday July 30, when the situation within the premises of 2 Peking Road had become critical due to threats of violence by the workers, the Whangpoo police station was again informed of this threat to law and order and again refused to intervene.

"9. At 11:30 a.m., on Sunday July 31, 2 representatives of this office discussed the matter personally with an official of the Foochow Road police station who contended that the police could not interfere on the grounds that no violence had occurred which he interpreted to mean no one had been subjected to bodily violence or had been threatened with a gun. He finally agreed to send someone to investigate, but reiterated that the police could not interfere in a labor dispute and could only take action in case of violence. To the best of our knowledge no investigator ever appeared.

"The final withdrawal of the workers from our premises was not effected until 5:50 p.m., on Tuesday, August 2, after they had occupied the building for more than 4½ days. They were apparently persuaded to withdraw as a result of their having at last been made to realize the fact that their continued presence in the building, implying coercion and intimidation, made it impossible for us to refer to Washington, for the Navy Department's consideration, the terms of settlement proposed by the Shanghai General Labor Union mediator at the meeting between representatives of the workers and our office held on the afternoon of August 1. This office has reason to believe that the final persuasion of the workers to withdraw is attributable to the help of your office.

"This office has recently also been given to understand that the workers had been cautioned from the beginning against violence; that your office was prepared at all times to have assistance rendered to us had actual bodily violence been inflicted by the workers upon officers of
our staff; and that your office took steps to keep informed in regard to developments in the situation from that standpoint. I have welcomed these indications that your office took cognizance of the situation and eventually undertook remedial action.

"I must, however, place on record the following points:

"(1). As the above chronology of events makes abundantly clear, no effort was spared by this office to bring the developments noted to the attention of the proper authorities, despite which for over 4 days no positive action was taken by the authorities to protect property or to remove the unauthorized occupants from our premises.

"(2). As it hardly seems necessary for me to repeat, this office had at all times exercised its good offices within the limit of its role as a go-between to reach an amicable and mutually agreeable solution to the problem. On the other hand, this office had from the very beginning also made it clear that it would not negotiate or discuss such problems under threats of force and intimidation.

"(3). In my view, the failure of the local authorities for over 4 days, to take effective action to terminate the illegal occupation of the premises at 2 Peking Road, constitutes a serious repudiation of the minimum standards of international law and comity by condoning the invasion of the property of a sovereign state situated within territory purportedly controlled by those authorities.

"(4). While prepared to recognize the authority [authorities?] reported readiness to stop any actual bodily violence which might be employed by the workers against members of our staff, I must point out that:

"(A). Had actual violence been inflicted upon members of our staff by the workers (as easily could have happened in view of their large numbers and high pitch excitement), the harm would have been done before police could have reached the building:

"(B). The treatment to which Mr. Thomas was subjected by the workers, involving, as it did, unremitting verbal pressure (including threats) and forcing him to go with very little food and sleep for over 24 hours, brought him to a point of nervous and physical exhaustion which was no less serious than bodily injury, and, in our opinion, is properly to be regarded as a form of violence.

"The failure of the authorities to take timely positive steps to insure against violence which might easily have occurred and to rescue Mr. Thomas from the cruel and unusual treatment to which he was actually subject is a further serious breach, not only of international law and comity, but also of universally accepted humanitarian standards.

"In reviewing these points for your attention, I must accordingly protest in the gravest terms the failure of the local authorities to fulfill, in the serious respects noted above, obligations towards protection of life and property which are universally recognized under international law and practice, and which, moreover, the authorities themselves have appeared clearly to recognize in publishing specific assurances by Chairman Mao Tse-tung and in other public pronouncements. Very truly yours, signed Walter P. McConaughy."
Letter returned August 24 with following notation: "No diplomatic relations—your letter returned herewith. Message Center, Aliens Affairs Department August 23."
Sent Department, repeated Nanking 1825.

McConaughy

102.22/5-2549: Telegram
The Consul at Shanghai (McConaughy) to the Secretary of State

SHANGHAI, August 25, 1949—1 p.m.
[Received August 25—3:49 a.m.]

3445. ReCongTel 3333, 19th, repeated Nanking 1798. Mediator could not or would not see Thomas. Suggested letter outlining facts which submitted same day and receipt taken but no reaction yet.
Meantime 13 Sikhs increasingly insistent, even threatening. Feel that settlement smaller issue which has more valid basis might further weaken case larger group.
Since Sikh delegation returning Monday 53 for "answer", request immediate telegraphic approval funds requested ref tel.
Sent Department; repeated Nanking 1836.

McConaughy

893.918/8-2649: Telegram
The Consul at Shanghai (McConaughy) to the Secretary of State

SHANGHAI, August 26, 1949—noon.
[Received August 26—4:37 a.m.]

3476. Miner-Gould case furnishes apt illustration of vicious circle many American and foreign businessmen caught in at Shanghai.
While Gould's case probably ineptly handled due his initial firm stand on moral and freedom of press grounds, issue has now boiled down to hard economic facts. Gould-Miner being held personally responsible since they here and Starr not. To meet demands workers, Gould must dispose assets. Prospective clients uninterested while workers in occupation premises or capable attaching lien at later date. As result Gould unable clear workers from premises without settlement agreeable to them and likewise unable dispose assets to make settlement while property attached by workers. Complicating this case is great amount sympathetic publicity given to case workers which makes recession from initial demands virtually impossible without serious loss of face for workers and Communist press.
Miner's problems liquidating other Starr assets, while not as notorious, are equally involved and difficult. To meet continued payrolls

53 August 29.
of five enterprises operating at loss, Miner compelled draw remittances from abroad in US currency which he must exchange at very adverse rate. Since terms wages, expenses calculated basis unrealistic price rice, Miner forced dispose dollars at rate per picul of approximately US $25 compared with real value between $5 and $10. In Miner's view this results in forced continued investment of US dollars in losing enterprises. Attempts to liquidate are countered by workers' threats for continuance on payroll pending exorbitant severance pay settlements with the added threat that they in position to enforce indefinite delay in issuance exit permits.

Basic problem in both issues is total absence of any "rule of law". Despite recent issuance of regulations apparently designed to settle these and similar disputes, invariable insertion of a weasel-worded escape clause permits arbitrary interpretation by local authorities leaving employer at whim of arbitrator. Even from short experience it is obvious all decisions, including those of People's Court, are to be made on grounds of political expediency and Communists give no sign of intentions to curb or alienate labor. Net result is free rein given to basic mendacity and greed compounded by a moral communist philosophy that political ends justify any means.

McConaughy

125.3571/8-2649: Telegram

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

SHANGHAI, August 26, 1949—7 p.m.
[Received August 26—9:51 a.m.]

3495. Apart from labor demands most immediate threat to unimpeached operation of Consulate General is tax collection (ReConGentel 3073 [30397], August 4 and 3306, August 18). Tax collectors have appeared at various residences, properties owned by Government, including Consul General residence, and in some cases have created unpleasant scenes thru their insistence on immediate payment. Communist regime still does not recognize any right foreign government to exemption from tax on its properties, even those used exclusively for public purposes. Both house and land taxes on Consulate General building and government-owned residences already overdue with substantial penalties accrued. Our position has been undermined by action certain other Consulates which have yielded to constant pressure and paid tax. My understanding is that British Consul General has decided (probably on basis of having paid in past) to accede and will pay shortly under protest, if it has not already done so.

Position further complicated by consistent policy of Communists not to recognize any governmental corporate entity and to hold some
individual or individuals personally liable for obligations of entity employing him. Thus our staff members occupying houses may be subjected to eviction, personal indignities or actual court process if they do not pay. Tax law provides that if collection cannot be made from owner, then tenant or occupant is personally liable.

Altho some of my consular colleagues disagree, I believe we are on sound policy grounds in refusing to pay taxes regardless of technicalities which might be cited by Communists in support of their position. If Communists intend to close Consulate General, I believe they will do it regardless whether we pay tax. If we refuse to pay taxes, altho individual staff members may be subjected to unpleasantness, questionable whether Communists will take far-reaching decision close us on [as?] this issue not basically important to them. However, Communist course cannot be predicted with any degree of certainty and it is entirely possible that a major issue may be precipitated by tax question, especially if some over-zealous minor employee Tax Bureau or newspaper publicizes extreme position from which top authorities cannot recede without loss of face.

I am bringing up question again solely insure all ramifications of issue, both policy and legal, carefully considered by Dept in light of events since Deptel 1419, July 15. We are prepared stand firm on issue, but decision should be made in full awareness of possible serious consequences.

Sent Dept, repeated Nanking 1848.

McConaughy

102.22/8-2949: Telegram

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

SHANGHAI, August 29, 1949—10 a.m.
[Received August 29—1:11 a.m.]

3510. Letter of protest to Alien Affairs Department re siege of Glencline Building by ex-Navy employees (reftel 3408, August 22 [24]) was delivered through confidential channel on DPLDay [Friday?], August 26, and retained by Alien Affairs Department.

Sent Department 3510, repeated Nanking 1852.

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

SHANGHAI, August 29, 1949—3 p.m.
[Received August 29—6:38 a.m.]

3529. Received following letter from Bureau Finance Shanghai Municipal People's Government (Deptcirtel August 26, 6 a.m.):

"Urlet dated August 18 requests us to note property of the country concerned is not liable to payment taxes. It is found that your request does not conform measures this municipality governing collection of house tax. Therefore, all house tax involved should be paid. Hope you will take due note."

View consistency all Commie agencies Shanghai re liability US Government payment taxes, recommend question be taken up highest levels Peiping to ascertain whether taxation foreign government properties Commie China is policy of tops or only local policy which could be corrected from above. In raising question PPG [Peiping] could point out if Commies expect to be recognized would come into possession valuable Chinese properties New York, San Francisco and Washington which would be liable taxes retroactive to date taxes collected US properties China. Indication amount taxes in US might show they stand to gain on exemption taxation. This question cannot be indefinitely stalled off view liability occupants of property to payment tax in absence order. However, time probably could be gained if we informed authorities that matter being referred Peiping. Doubt if action will be taken against Glenline Building but anticipate trouble for individuals occupying Government houses Shanghai which could result their "re-education" [and] seizure private property in event lack funds prevented payment. Calculation amount now due in course preparation follows subsequent message.

McConaughy

893.60B/8-3049: Telegram
The Consul at Shanghai (McConaughy) to the Secretary of State

SHANGHAI, August 30, 1949—1 p.m.
[Received August 30—6:36 a.m.]

3551. Following is text Shanghai Military Control Commission proclamation dated August 30, 1949, published Liberation Daily:

"Foreign news bulletins established in Shanghai have, one after another, suspended business on their own initiative since liberation.

54 Ante, p. 1104.
55 Telegram No. 3588, September 1, not printed.
However, several individual news bulletins are found to be still operating.

It is now decided by this Commission that all foreign news bulletins shall suspend their business at the end of this month: Beginning from September 1, 1949 any bulletin which is found to be still operating (distributing its news manuscripts), shall be considered as having violated the law and be subject to punishment. It is expected that the public take notice of the same."

Associated Press expects discontinue local distribution as result. Correspondent Fred Hampson says operation unprofitable any case, has continued only to avoid necessity dismissing 15 employees. ConGen informed British Chamber Commerce intends discontinue distribution Reuters news result proclamation.

ConGen does not believe Wireless Bulletin Foreign Service Digest, distributed only ConGen American staff, covered by proclamation. Intends continue internal distribution on subject safeguard prevent outside dissemination.

Sent Department 3551, repeated Nanking 1866, Canton 1054.

McConaughy

135.8571/9-149: Telegram

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

Shanghai, September 1, 1949.

[Received September 1—3:12 a. m.]

3585. Following note delivered August 30 to Director Bureau Finance in response to their letter:

"Have received urlet dated August 26, which in reply to mine August 18, in which you state since my request does not conform measures of Shanghai municipality governing collection house tax the Government of US is liable for payment taxes on its property in Shanghai.

"Ur views this question transmitted Department, and am awaiting further instructions. In meantime, take this opportunity informing you since Government of US pays no taxes on its property located foreign countries, no funds appropriated by Congress of US for payment such taxes. Hence no funds presently available here for payment these assessments."

Repeated Nanking 1883, Peiping 294.
The Consul at Shanghai (McConaughy) to the Secretary of State

SHANGHAI, September 2, 1949—3 p. m.
[Received September 2—9:21 a.m.]

3615. September 1 several tax bills presented with taxpayer’s name given as “former American Government”. As unable identify properties from bills, they not accepted and authorities asked check ownership. Bills returned today with information identifying them as US Government-owned. Taxpayer’s name as given above crossed out and name F. E. Farnsworth inserted. Am returning bills today stating individual American citizens not liable for payment taxes on US Government-owned properties China; if determined Government liable to payment taxes, payment will be made by Government not by individual citizens; and requesting appropriate correction on bills.

Sent Department 3615, repeated Nanking 1895, Peiping 303.

McConaughy

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

SHANGHAI, September 4, 1949.
[Received September 4—11:04 a.m.]

3648. Following text of communication delivered September 2 to Alien Affairs Department, Shanghai Military Control Commission:

“On July 15, the undersigned, as deputy acting director of the USIS, branch of this office, was instructed by you to suspend forthwith activities of the USIS. This order was complied with. On July 20 we addressed to your office a petition protesting arbitrary closure of USIS and requesting reconsideration this decision. To date we have received no reply to above communication.

“On July 15, local employees of USIS were notified officially of suspension orders but were retained on payroll pending final decision from your office regarding our petition for reopening. It was made clear at that time that their services would have to be terminated in view of closure order of authorities unless order were modified. On August 18 we informed local employees of USIS their services would be terminated as of September 3, they would at that time receive their final pay, plus lump sum settlements of accrued leave and refund of retirement savings. We also offered them termination bonus of 2, 4 or 6 weeks, depending on length of service. This offer was rejected by employees who, in turn, demanded minimum severance bonus equivalent to 8 months’ pay from which demand they have refused recede.

“After several fruitless attempts reach an agreement, dispute was submitted on August 27 by both parties to Shanghai General Labor Union for advice and counsel. We have been informed by Shanghai
General Labor Union we should receive notice from Alien Affairs Department as to time and place for hearings of this dispute.

"We have been informed by former local employees of USIS they will refuse recognize their dismissal as effective on date September 3. We have clearly informed employees of our position in this matter in two notices of September 1 and 2 respectively, copies of which attached. "["In communication of September 1, employees have informed us that notwithstanding dismissal they intend continue coming to office as usual after September 3. Since work of USIS has been completely suspended in accordance with your instructions and the various wind-up tasks have been completed, we can only construe this intention of former USIS employees as attempt to circumvent order of your Department.

"We are calling these matters to your attention merely to place sequence of events on record so you may be fully informed in case any incident should develop."

Sent Department; repeated Nanking 1913, Canton 1078, Peiping 312.

McConaughy

125,8571/9-749 : Telegram

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

SHANGHAI, September 7, 1949—3 p.m.
[Received September 8—12:45 a.m.]

3684. Tax bills mentioned mytel 3615, repeated Nanking 1895, Peiping 303, September 2, have been returned rewritten.

Taxpayer given as "former American Consulate" with extension deadline payment date to September 20. Am acknowledging receipt repeating our regulations that in accordance recognized principle of international comity, property one nation within territory of another tax exempt when used for official purposes.

McConaughy

893,006B/9-849 : Telegram

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

SHANGHAI, September 8, 1949—11 a.m.
[Received September 8—5:53 a.m.]

3706. In interview arranged with John Keswick, Director Jardine, Matheson 87 officer, ConGen informed [that] Keswick recently made personal call on Mayor Chen Yi at latter's invitation. Mayor's apparent purpose to discuss local conditions and tell Keswick Communists regret departure so many foreign businessmen from Shanghai and

87 British shipping company.
their desire that foreign merchants remain. Mayor stated if foreigners patient conditions would surely grow more favorable for continuation their businesses. Mayor assures Keswick recent imposition many new taxes not intended force foreigners out but to raise needed revenue and that SMCC was even now considering rescinding tax schedules on churches, charitable institutions, schools and hoped later adopt more lenient attitude. Mayor pointed out many Communist officials foreign educated and acquainted both with foreigners and conditions abroad.

Keswick stated he hopes for series of discussions between foreign businessmen and Communist officials which he hopes initiate within week or 10 days.

At end Keswick’s conversation with ConGen he made statement he did not expect Americans fare well under Communist regime but without indication this opinion formed as result conversation with Mayor or otherwise. Probable Keswick discussed matters with Mayor other than those indicated. However, despite Mayor’s ostensible concern re departure foreign businessmen and alleged Communist attitude, ConGen has no evidence concrete action taken by Communists ease difficulties encountered at every turn by businessmen or even more lenient exit, entrance permit procedures which would reduce feeling claustrophobia prevalent in foreign community.

From independent source ConGen understands Keswick told Mayor, and quite flatly, Jardine’s could not take financial punishment encountered past 2, 3 months indefinitely, resulting largely from labor demands and business inactivity.

Sent Department, repeated Nanking 1937, Canton 1088.

McCONAUGHY

702.0093/9-1049 : Telegram

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

SHANGHAI, September 10, 1949.
[Received September 10—7: 24 a. m.]

3762. Consulate General has become increasingly aware of lengths to which Chinese Communists have gone in denying traditional distinction international law between status and function diplomatic and consular officers. Communists here have doggedly maintained consular officers and political agents their governments in same sense as diplomatic officers. On this premise they refuse accept or deal in any way with consular officers in absence diplomatic recognition. They are unmoved by all arguments re permissibility negotiations between consular officers and representatives revolutionary regime on local issues. Numerous precedents along this line (especially Latin Americans) impress them not at all.
CONSULATES IN OCCUPIED AREAS

It would seem Chinese Communists are following Soviet lead this matter. Soviets obviously anticipated Chinese Communist attitude toward consular officers by nominally closing their consulates before take-over and taking other measures insure they would not become victims embarrassing situation resulting from Communist nonacceptance consular status.

Trend Soviet legal thinking for some time appears to have been in direction erasing distinctions between diplomatic and consular officers. While basic reasons are probably, on one hand, desire to get as many diplomatic immunities for Soviet consular agents abroad as possible, and, on other, distrust of foreign consular officers in Soviet Union and reluctance to let them function in usual way which would bring them close to commercial and industrial circles, they can adduce certain trends in western foreign service practice indirectly supporting their thesis, notably:

Amalgamation diplomatic and consular services most west nations;
Interchange ability diplomatic and consular assignments with senior officers usually having had experience in both fields;
Combined diplomatic and consular offices at many capitals;
Dual commissions and dual status many officers of Western foreign services;
Assignment diplomatic attachés with diplomatic status to consular offices where they are under jurisdiction principal consular officer;
Known fact most large consular offices have political sections which do political reporting along same lines as diplomatic missions;
Occasional necessity for consular officers deal with high officials central government on national issues when such officials absent selves from capitals and maintain office in city where consulate is located.

Owing traditional lack highly centralized government China in past and prevalence semi-autonomous provincial governments, consular officers in China for nearly a century held quasi diplomatic position which perhaps makes more colorable Chinese Communist contention consuls are same species and same genus as diplomats. It is suggested this thesis Communist interpretation international law may be fruitful subject for study by our international lawyers inside and outside Department.

Sent Department 3762; repeated Nanking 1966.

McConaughy

883.00B/9-1149 : Telegram
The Consul at Shanghai (McConaughy) to the Secretary of State

Shanghai, September 11, 1949—2 p.m.
[Received September 11—4:13 a.m.]

3777, Re ConGentel 3706, September 8, conversation with Keswick. Reference penultimate paragraph "he did not expect Americans fare
well under Communist regime”, while we have no direct evidence Mayor Chen Yi made this remark to Keswick ConGen is satisfied Mayor did intimate something along this line; otherwise Keswick would not have mentioned it in his conversation with ConGen officer. He would hardly have invented this as bluff to frighten away American competitors. Such remark would tally with known Communist tactics as they have come attention ConGen. On several occasions members ConGen staff have been told by minor Communist officials various requests we have made (permits move residence, travel by rail, transfer gasoline stocks, et cetera) could be acted on more expeditiously if interest involved were not American. It seems be settled Communist practice harass and heckle American citizens especially American Government employees at every turn as means provoking minor incidents which can be used in anti-American propaganda campaign and by discriminatory treatment undermining any tendency toward united front among various western communities Shanghai.

Clearly we would merely be playing into their hands by giving vent to exasperation at petty annoyances put in way of Americans. Large measure forbearance is called for and in general is being displayed by American community.

It would appear reasonable assume Chinese Communists are up to their old device of playing off one group foreigners against another. This borne out by conspicuous absence direct and pointed attacks on British over past 3 or 4 weeks. Bitter anti-British propaganda following escape Amethyst quite suddenly ceased after tremendous 3- or 4-day build up. Other indications of attempted contacts between British representatives and Chinese Communists have been previously reported in my telegrams and also telegrams from Peiping and Tientsin.

Divergence British [and] American business interests Shanghai has been apparent for some time with former more inclining to compromise and to hear [bear] current losses in slim hope of recouping in future. Divergencies based partly on different orientation basic policy two governments but principally on difference economic position two business communities with British less able to afford a [to] pull out account their deeper involvement Chinese trade and industry and their inability to reestablish selves in their own country.

British Ambassador coming Shanghai September 12 with intent discuss united front with British, US consular and business representatives during course of week. In view presence Washington high British officials, Department may wish raise this matter and pass on for our guidance in these talks any available information.
125.5571/9-1949 : Telegram

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

SHANGHAI, September 19, 1949.
[Received September 19—5:15 a. m.]

3922. Measures collection house tax July, August, September promulgated September 15, résumé follows:
Payment for leased houses to be paid by lease or occupant. Payment to be made by leasee even though no rentals collected. Persons moving into house responsible for unpaid taxes. Tax on vacant houses double. Caretaker responsible for payment.

Exemptions: Destroyed [houses?] Occupied by Government (Communist Government) organs for official uses. Public schools. Private schools, government approved philanthropic not including churches having business income may apply for reduction of tax as may factories making necessities if closed due to blockade. Private houses occupied by army.

Owner or occupant may apply for investigation in case disagreement assessment. In case tax evasion the party concerned shall be required make payment double stipulated tax in addition same required to make “special payment for the delay”. Tax to be paid within 10 days receipt notice with 1 percent fine per day's delay. Taxpayers failing pay after receipt overdue notice shall have case referred “to bureau of public safety for action by latter”. ConGen has received no tax notices for period in question.

McConaughy

811.9293/9-2249 : Telegram

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

SHANGHAI, September 22, 1949—4 p. m.
[Received September 22—6:13 a. m.]

3981. For your information following details settlements disputes Starr's interests furnished ConGen by Chas. Miner.

Shanghai Evening Post-Mercury dispute settled September 8 on basis 5-1/2 months' wages staff employees; 7-1/2 months' workers, coolies; this in addition wages paid through August 31. As result pay-off Gould and wife granted exit permits, preparing depart Gordon.
Considerable portion plant equipment sold to meet settlement after Union evacuated premises several [apparent omission].

Reliance Motors and Met Motors settled same basis 5–1/2 months' wages staff, 7–1/2 workers, coolies, plus wages for first half September in lieu of notice. No unpleasant publicity re this settlement. Miner now engaged liquidating assets both companies.

McConaughy

125.8571/9–2949 : Telegram

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

SHANGHAI, September 29, 1949—4 p. m.
[Received September 29—6:25 a. m.]

4112. Have today received follow-up notice on house tax for Glenline reading:

"It is found you have not yet paid house tax last period. Hope you will make payment in full immediately. Do not permit any further delay! This is important."

Have written on bills for return to Bureau to effect property owned by US Government and used as offices by American Consulate General and question of liability of tax subject of correspondence Bureau and this office and case referred to Department of State. This seemed satisfy subordinate who brought notice. Am addressing letter to director reminding him of previous correspondence and stating since US Government adheres to internationally accepted principle one country does not tax property of other it considers itself not liable. Last sentence reads: "In the event that the local authorities require further information as to tax-exempt status those Government-owned properties I shall be pleased to discuss matter with you."

Will write similar letters as further notices received.

McConaughy

800.91295/10–749 : Telegram

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

SHANGHAI, October 7, 1949—11 a.m.
[Received October 6—11:15 p.m.]

4207. On October 6, representatives of the foreign press in Shanghai were told by CGRA 58 that it could no longer accept press messages.

58 Chinese Government Radio Administration.
For clarification, foreign correspondents were referred to Alien Affairs Department. On October 7, they were handed order of SMCC dated October 6, to following effect:

"Effective from the date of issue of this order, all correspondents in Shanghai, irrespective of whether they are Chinese or foreign, for foreign newspapers and periodicals, news agencies and broadcasting agencies, whose country has not established diplomatic relations with the Chinese People's Republic are to cease acting in their capacity as pressmen, including the filing of press telegrams and radiograms."

According to preliminary survey, Tass has two representatives still in Shanghai, one having gone to Peiping. Other Eastern European countries not represented. This effectively closes out foreign news reporting from Shanghai. Department please pass Peiping at its discretion.

McConaughy

800.91293/10-1149: Telegram

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

SHANGHAI, October 11, 1949—9 a.m.
[Received October 11—1:11 a.m.]

4257. With suspension activities local foreign press, news agencies and correspondents (reConTel 4207, October 7), and [sic] news items used on VOA or press handouts based on information from this office not attributable other sources will presumably be considered by Communist authorities to have originated from this office. In view delicate situation with respect maintenance our radio contacts, suggest extreme desirability close scrutiny any VOA and other releases concerning Shanghai area or otherwise readily traceable to this ConGen. Special caution desirable on anything which hypersensitive Communists might construe as of military significance.

McConaughy

123 Colling, Guy Thomas: Telegram

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

SHANGHAI, November 5, 1949—1 p.m.
[Received November 5—3:40 a.m.]

4682. Re ConGentel 4229, October 10. Colling reapplied for rail travel permit to Nanking November 1 and was again officially refused by Public Safety Bureau on November 4. Colling used virtually iden-

**Not printed.
tical formula with which Ballachey of Canadian ConGen successful in securing permit and was accompanied by Ernest Tung. In course of application Colling was interviewed at length by higher official of Foreign Affairs section who adopted similar line of questioning previously used with some of our Service Attachés, strongly reminiscent of interrogations of prisoners of war customary during World War II. Obviously official deeply suspicious, being obsessed with espionage idea. While present psychosis of local authorities toward American officials continues, I am convinced that entire US Government staff here effectively prevented traveling outside city limits Shanghai.

Sent Department, Department pass Nanking 2031.

McConaughy

125.8570/11-1149 : Telegram

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

SHANGHAI, November 11, 1949—1 p. m.
[Received November 11—5:26 a.m.]

4761. This office finding it increasingly difficult obtain accurate information on political developments other areas China, being restricted almost entirely to material printed in Chinese Communist press which not calculated present factual picture essential for maintaining proper perspective in evaluating and reporting local developments east China liberated area. Have found Peiping Consulate General political telegraphic repeats of greatest value and would accordingly appreciate repeats of telegrams from Chungking, Taipei, Hong Kong and Tientsin reporting political developments of other than purely racial interest (remytel 339, October 26 to Hong Kong, repeated 414 to Taipei 69). Also appreciate continuing background information on current Department policy in China and related areas.

Sent Department 4761, repeated Hong Kong 368, Taipei 470. Department pass Peiping 444, Chungking 45, Tientsin 145.

McConaughy

125.8571/11-2149 : Telegram

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

SHANGHAI, November 21, 1949—10 a. m.
[Received November 21—5:06 a.m.]

4862. Shanghai not yet faced problem registration property. (Deptel [Ref tel?] 1181, November 15, from Peiping. 69 Authorities Shang-

69 Not found in Department of State files.
hai have not questioned ownership Government properties and for only one property, Glenline Building, have asked see deed. Sole contact authorities here has been on subject payment house and property taxes. ConGen has acknowledged by letter each tax notice, pointing out property owned by Government of US and therefore basis generally accepted principle international comity property one nation situated within territory another exempt taxation we assume bills sent in error. Follow-up notices and personal calls by collector handled same manner with statement question payment taxes subject correspondence two offices and Department. So far this technique successful. Doubtful how long before issue brought to head. Land Bureau has received list of properties citing title deeds in Chinese and Finance Bureau (house taxes) has accepted English version.

November 18 tax collector called saying we should follow example of British, who have paid taxes. Oral check reveals Shanghai representative Ministry Works paid house taxes from beginning without protest. Bills for land taxes ignored.

Department please pass Peiping in discretion.  

MoCONAUGHY

125.8571/11-2149: Telegram

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

WASHINGTON, December 8, 1949—6 p.m

2294. Stated urtel 4862 Nov 21 “Shanghai not yet faced problem registration property”. Have Commie auths Shanghai issued reg[ulation]s re registration property? If so or if auths shld do so; Dept assumes ConGen will tele translation text regs.

For ur info Dept has instructed ConGens Tientsin Peiping, in connection with Commie regs requiring registration real property of aliens those cities by certain dates, transmit to local Commie auths statement reserving rights absentee Amer owners real property. Dept has issued press releases giving this info.

ACHESON

61 See telegram No. 764, November 2, 5 p.m., p. 1113.
The Consul General at Shanghai (McConaughy) to the Secretary of State

SHANGHAI, December 12, 1949—3 p. m.
[Received December 12—6:09 a.m.]

5168. No denouement (Contel 1283, December 6 from Peiping 64 and 1291, December 8 65) re taxes Shanghai. Still receiving notices of taxes and demands for payments which being answered in usual sense. Recently officer required accept and receipt for demand notice was informed by collector in humorous tone “just take notice to 2 Peiping Road; they’ll send it back”.

Concur agreement first paragraph telegram under acknowledgment and request similar directive last paragraph.

Mytel 5135 of December 9 66 reported requirement registration properties area Shanghai but no Government property located therein. Notification contains no “regulations” other than requirement to register and “bring all the property evidence and relevant documentary proofs within the time limit”.

McConaughy

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

SHANGHAI, December 14, 1949—3 p. m.
[Received December 14—6:07 a.m.]

5211. In conversation on December 10 (ConGentel 5200, Dec. 13 67) Cheng Kang-chi told ConGen local Communist authorities acutely aware of existence of ConGen radio and have devoted much thought to question whether they should seal it. Cheng assured ConGen he had used his influence to insure retention our radio facilities. He said he reminded them that operation of radios for official purposes by foreign service establishments of principal power had sanction of long usage and general acceptance. He informed officials studying question that it was customary for American diplomatic and consular offices in various parts of world to operate their own transmitters and receivers. He said American foreign service enjoyed this privilege throughout Latin America (ConGen believes he is mistaken about this).

64 Same as telegram No. 2227 from Shanghai, p. 1120.
65 No. 2237 to Department, not printed.
66 Not printed.
67 Ante, p. 627.
Cheng said he also observed that closure of ConGen radio at this
time when consulates have no diplomatic pouch privileges and no air
mail service would in his opinion so cripple ConGen that it might be
closed. Cheng told them that silencing of ConGen would be further
exacerbating factor in Chinese Communist relations with US and
might farther retard recognition prospects.

ConGen remarked to Cheng that he might also bear in mind that
when there was anything favorable to report about record of this
regime it went in without bias.

Cheng says authorities are aware of existence of British and French
radio sets but think of problem mainly in terms of relations with US.
Cheng confident high level decision has been reached not to molest
foreign government radios for present. He believes that during period
nonrecognition same position will be taken towards radios all three
Governments in all three cities where they are located, namely Shan-
hai, Peiping and Nanking. He thinks US foreign service radios would
be placed in more precarious position if either Britain or France
recognizes without similar action on our part. Radios nonrecognizing
foreign governments might be banned once united western front as to
recognition is broken.

McConaughy

893.111/12–1949 : Telegram

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

SHANGHAI, December 19, 1949—5 p. m.
[Received December 19—2 p. m.]

5305. Consulate General would appreciate receipt of information as
to Department’s policy toward issuance or renewal passports Ameri-
can citizens intending to enter Communist China. Question assumes
some urgency because of pressing desire certain mission organizations
and business firms to bring replacement personnel. Consulate General
does not know of any American organization contemplating expansion
at this time but several organizations are anxious bring in new per-
sonnel to take place of employees who are sick, suffering from nervous
strain, due for leave or retirement or slated for duties elsewhere.

Several mission organizations in particular are feeling need for sub-
stitutes in view unusually high average age of remaining missionaries.
General feeling is that unless some replacements can be brought in,
passage of time will force radical curtailment mission activities even
though intention is to maintain present level.

Some uncertainty exists as to whether Department is willing grant
passports to replacement personnel of established American organiza-
tions operating in Shanghai. A few cases of factual or proposed entry of Americans have been reported but presumably these persons have passports issued some time ago. I have told inquirers that Consulate General has no specific information on subject; knows of no blanket ban of issuance or validation of passports to American citizens intending proceed Communist China; that each case undoubtedly is examined closely and decided on its own merits. I added it was conceivable that dependent women and children would encounter more difficulty in obtaining passports than would individuals who would be employed in their own right.

Of course we have no assurance that Communists will admit American citizens in any event or that they will care whether an American passport is valid or invalid for travel to China. They seem disposed to approve after considerable delay entry applications filed on behalf of dependents of persons already resident here, and certain men with special qualifications or responsibilities.

While it would perhaps not be feasible for us to take steps to prevent travel of women and children already in possession of valid passports who may attempt to come to Shanghai, it would seem regrettable for the successful and difficult evacuation operations of a year ago and again of last September to be undone by influx of dependents and nonessential residents. There are signs that a small trickle of returning wives and small children is about to begin.

While it cannot be said that tangible immediate danger of any unusual nature exists, note that: (1) lack of status of our Consulate officers which prevents extension of normal protective services to our nationals; (2) refusal of Communist courts to extend protection of any recognizable standard of law to defendants; (3) special animosity of many Communist officials toward Americans which may become more noticeable if recognition withheld for extended period; (4) frequent unwillingness of police authorities to curb unruly Chinese elements wishing to take action against foreigners; and (5) onerous restrictions on travel and on exit from the country, all point to undesirability of bringing in dependents or persons not replacing key American personnel of stabilized American organizations and firms, at least until our position vis-à-vis this regime has been further clarified. If another evacuation in the face of formidable difficulties should become necessary, it is clear that our problems would be magnified by presence of large numbers of additional dependents.

It will be evident from foregoing that I regard with misgiving the entry of dependents and nonessential citizens. Thought perhaps should be given to the advisability of taking up the passports of all US citizens who return to US from Far East, as invalidating them for travel to Communist China, unless specifically endorsed for such travel. At same time I believe it would be the part of wisdom to facilitate entry
of necessary replacements in order to maintain the American position here and to take strain off American citizens holding the fort here who cannot leave until their successors arrive. An indication from the Department to this office that passport applications of such essential replacement personnel will receive favorable consideration will assist mission and business organizations in their personnel planning.

McConaughy

893.111/12-1949: Telegram

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

WASHINGTON, December 23, 1949—6 p.m.

2485. Dept concurs views expressed urtel 5305 Dec 19 re issuance passports Amcits desiring proceed Commie areas China. ConGen correct in belief all applications examined closely and decisions based on merits each case. For reasons enumerated para 6 ref tel no passports have been issued for many months past to dependents indicating intention proceed Commie areas. However, in very few instances passports issued individuals presenting reasons Dept has considered valid.

Dept shares ur misgivings re entry dependents and nonessential Amcits and desirability facilitate entry essential replacement personnel estab missionary and business organizations. Accordingly, Dept plans continue refuse passports to dependents and nonessential Amcits but prepared give favorable consideration passport applications essential replacement personnel estab Amer orgs provided applications supported by letter from orgs setting forth satisfactory evidence essential nature of travel.

Dept has considered advisability taking up passports all Amcits returning from Far East and requiring specific endorsement for return to Commie areas, but doubts necessity and feasibility such action present time.

Acheson

119.2/12-1449: Telegram

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

WASHINGTON, December 28, 1949—1 p.m.

2490. Fol comments for ur background info only re statements made by Cheng Kang-chi concerning operation radio facilities for official purposes FonServ estab (ur tel 5211 Dec 14).
Although Brit view use of transmitters by dipl estab as right inherent in dipl usage, US and many other govts do not take this position. Contrary Cheng's opinion, not customary for Amer dipl and cons offices operate own transmitters. In few cases where they in use permission generally obtained with great difficulty and operations continue at sufferance fom govt. US Communications Act 1934 ** restricts licensing radio transmitters to US cits. Govt does not, therefore, permit fom embs Wash operate radio transmitters any sort. However, no prohibitions re use of receivers.

ACHESON

** Approved June 19, 1934 ; 48 Stat. 1004.